

CIRCULAR DATED 1 APRIL 2009

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units (as defined herein) in Saizen Real Estate Investment Trust ("**Saizen REIT**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee.

Approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Rights Units (as defined herein), the Warrants (as defined herein) and the New Units (as defined herein). The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of Saizen REIT, its subsidiaries, the Units, the Rights cum Warrants Issue (as defined herein), the Rights Units, the Warrants (as defined herein) and the New Units.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Rights cum Warrants Issue has not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction, and the Rights Units with Warrants and New Units to be issued pursuant to the Rights cum Warrants Issue may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. This Circular is not an offer for sale of securities in the United States. There will be no public offer of securities in the United States.



SAIZEN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted under the laws of the Republic of Singapore pursuant to a trust deed dated 27 September 2007 (as amended))

CIRCULAR TO UNITHOLDERS

IN RELATION TO THE PROPOSED

- (1) **ALTERATIONS TO THE TRUST DEED CONSTITUTING SAIZEN REAL ESTATE INVESTMENT TRUST;**
- (2) **RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 497,185,362 NEW UNITS IN SAIZEN REAL ESTATE INVESTMENT TRUST (THE "RIGHTS UNITS") AT AN ISSUE PRICE OF S\$0.09 EACH, WITH UP TO 497,185,362 FREE DETACHABLE AND TRANSFERABLE WARRANTS (THE "WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR 1 NEW UNIT IN SAIZEN REAL ESTATE INVESTMENT TRUST (THE "NEW UNIT") AT AN EXERCISE PRICE OF S\$0.09 FOR EACH NEW UNIT, SUCH WARRANT TO EXPIRE ON THE DATE IMMEDIATELY PRECEDING THE THIRD (3rd) ANNIVERSARY OF THE DATE OF ISSUE OF THE WARRANTS, ON THE BASIS OF 11 RIGHTS UNITS FOR EVERY 10 EXISTING UNITS IN SAIZEN REAL ESTATE INVESTMENT TRUST (THE "UNITS") HELD BY UNITHOLDERS OF SAIZEN REAL ESTATE INVESTMENT TRUST (THE "UNITHOLDERS" AND EACH, A "UNITHOLDER") AS AT THE BOOKS CLOSURE DATE, AND 1 WARRANT FOR EVERY RIGHTS UNIT SUBSCRIBED, FRACTIONAL ENTITLEMENT TO BE DISREGARDED (THE "RIGHTS CUM WARRANTS ISSUE");**
- (3) **COMMITMENT FEE (AS DEFINED HEREIN) AND INTRODUCTION FEE (AS DEFINED HEREIN) PAYABLE TO THE UNDERTAKING UNITHOLDERS (AS DEFINED HEREIN) AND UNDERTAKING PLACEES (AS DEFINED HEREIN), FOR THEIR IRREVOCABLE UNDERTAKINGS (AS DEFINED HEREIN);**
- (4) **WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT UNITHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM ARGYLE STREET MANAGEMENT LIMITED AND ITS CONCERT PARTIES (AS DEFINED HEREIN) FOR THE REMAINING UNITS IN SAIZEN REAL ESTATE INVESTMENT TRUST NOT OWNED BY THEM ARISING FROM THE RIGHTS CUM WARRANTS ISSUE, EXCESS RIGHTS UNITS WITH WARRANTS AND/OR NEW UNITS UPON THE EXERCISE OF THE WARRANTS; AND**
- (5) **PLACEMENT OF A MAXIMUM OF 115,932,629 AVAILABLE RIGHTS UNITS (AS DEFINED HEREIN) IN SAIZEN REAL ESTATE INVESTMENT TRUST WITH 115,932,629 WARRANTS, TO AMHERST HOLDINGS LIMITED AND EQUAL CHANCES LIMITED AT S\$0.09 (THE "PLACEMENT PRICE") FOR EACH AVAILABLE RIGHTS UNIT, IN CASH, (THE "PLACEMENT EXERCISE") PURSUANT TO THE PLACEMENT AGREEMENTS (AS DEFINED HEREIN).**

Independent financial adviser in relation to the whitewash resolution



KIM ENG CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200207700C)

Important Dates and Times:

Last date and time for lodgment of Proxy Form	:	18 April 2009 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	20 April 2009 at 10.30 a.m.
Place of Extraordinary General Meeting	:	Pan Pacific Singapore Hotel Meeting Room Ocean 4, Level 2 7 Raffles Boulevard Marina Square Singapore 039595

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CORPORATE INFORMATION

Directors of Japan Residential Assets Manager Limited (the Manager of Saizen REIT)	:	Mr Arnold Ip Tin Chee (Chairman) Mr Chang Sean Pey (Chief Executive Officer) Mr Raymond Wong Kin Jeon Mr Soh Yew Hock (Independent Director) Mr Dennis Lam Siu Sun (Independent Director) Mr Harold Sun Dai Hoe (Independent Director)
Registered Office of the Manager	:	72A Duxton Road Singapore 089531
Trustee of Saizen REIT	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser for the Rights Issue and to the Manager	:	Stamford Law Corporation 9 Raffles Place #32-00 Republic Plaza Singapore 048619
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Financial Adviser to the Whitewash Independent Directors of the Manager	:	Kim Eng Corporate Finance Pte. Ltd. 9 Temasek Boulevard #39-00 Suntec Tower Two Singapore 038989
Unit Registrar and Warrant Agent	:	Boardroom Corporate & Advisory Services Pte. Ltd. 3 Church Street #08-01 Samsung Hub Singapore 049483

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. Unitholders may only deal in their Units through trading on the SGX-ST.

The past performance of Saizen REIT is not necessarily indicative of the future performance of Saizen REIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units in Saizen REIT held through CDP, you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee.

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

- “Act” or “Companies Act”* : Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Announcement”* : The announcement made by the Manager on 31 December 2008 in relation to the Rights cum Warrants Issue
- “ARE”* : Application and acceptance form for the Rights Units with Warrants and excess Rights Units with Warrants to be issued to Entitled Depositors in respect of their provisional allotment of Rights Units with Warrants under the Rights cum Warrants Issue
- “ARS”* : Application and acceptance form for the Rights Units with Warrants to be issued to purchasers in respect of their provisional allotment of Rights Units with Warrants under the Rights cum Warrants Issue traded on SGX-ST through the book-entry (scripless) settlement system
- “ASM”* : Argyle Street Management Limited
- “ASML Group”* : ASM and the Concert Parties
- “ASMHRF”* : ASM Hudson River Fund
- “ASMAR(M)F”* : ASM Asia Recovery (Master) Fund
- “Asset Manager”* : KK Tenyu Asset Management as the asset manager of Saizen REIT
- “ATM”* : Automated teller machine
- “Audit Committee”* : The audit committee of Saizen REIT, comprising Mr. Soh Yew Hock, Mr. Dennis Lam Siu Sun and Mr Harold Sun Dai Hoe
- “Authority” or “MAS”* : The Monetary Authority of Singapore
- “Available Rights Units”* : The Rights Units available for subscription as a result of any Unitholders not taking up or declining to take up or not taking up fully their respective entitlements to the Rights cum Warrants Entitlements and after taking into account the subscription by other Unitholders for excess Rights Units. Such Available Rights Units shall exclude any Rights Units not taken up by any of the Undertaking Unitholders in relation to their respective portions of Rights cum Warrants Entitlements as set out in paragraph 4 of this Circular
- “Books Closure Date”* : The time and date to be determined by the Directors, at and on which the register of Unitholders and the Unit transfer books of Saizen REIT will be closed to determine the provisional allotments of the Entitled Unitholders under the Rights cum Warrants Issue
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular to Unitholders dated 1 April 2009

DEFINITIONS

- “Closing Date”* : The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of, the Rights Units with Warrants under the Rights cum Warrants Issue; or the time and date for acceptance and/or excess application and payment of the Rights cum Warrants Issue through an ATM of a Participating Bank
- “Code”* : The Singapore Code on Take-overs and Mergers
- “Concert Parties”* : Person deemed to be acting in concert with ASM, comprising Argyle Street Management Holdings Limited, ASMHRF, ASM Asia Recovery Fund (**“ASMARF”**), ASMAR(M)F, Central-Top Properties Limited, Japan Opportunities Fund Limited, Kin Chan and his spouse Seow Shu Ping, Jo-Ann, Li Yick Yee Angie and Yeh V-Nee
- “Controlling Unitholder”* : A person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting units in Saizen REIT (subject to the discretion of SGX-ST to determine that such a person is not a controlling Unitholder), or (b) in fact exercises control over a company
- “Commitment Fee”* : Has the meaning as defined in paragraph 4.4 of this Circular
- “CPF”* : Central Provident Fund
- “Deed Poll”* : The deed poll to be executed by the Manager constituting the Warrants and containing, *inter alia*, provisions for the protection of the rights and interests of the Warrantholders
- “Desktop Valuation”* : The desktop valuation as at 31 January 2009, conducted by the Independent Valuers as set out in Appendix C of this Circular
- “Directors” or “Board of Directors”* : The directors of the Manager as at the date of this Circular
- “EGM”* : The extraordinary general meeting of Saizen REIT to be held at Pan Pacific Singapore Hotel, Meeting Room Ocean 4, Level 2, 7 Raffles Boulevard Marina Square, Singapore 039595 on 20 April 2009 at 10.30 a.m. (or any adjournment thereof), notice and proxy form of which are set out on pages 70 to 72 of this Circular
- “Entitled Depositor(s)” or “Entitled Unitholder(s)”* : Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five (5) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Exercise Price”* : The sum payable in respect of each New Unit to which the Warrantholders will be entitled to subscribe upon the exercise of the Warrants which shall be S\$0.09 subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
- “Existing Units”* : 451,986,693 Units as at the Latest Practicable Date
- “Expiration Dates”* : The respective dates on which the Warrants (as defined herein) will expire

DEFINITIONS

<i>“Foreign Unitholders”</i>	: Unitholders whose registered addresses with the Manager or CDP, as the case may be, are outside Singapore as at the Books Closure Date, and who have not, at least five (5) Market Days prior to the Books Closure Date, provided to CDP or the Manager, as the case may be, addresses in Singapore for the service of notices and documents
<i>“FY”</i>	: The financial year ended or ending 30 June, as the case may be
<i>“Group”</i>	: Saizen REIT and its subsidiaries
<i>“IFA”</i>	: The independent financial adviser, for the purposes of the Whitewash Resolution, Kim Eng Corporate Finance Pte. Ltd.
<i>“IFA Letter”</i>	: The letter from the IFA attached hereto in Appendix B
<i>“Independent Unitholders”</i>	: Unitholders other than the ASML Group and parties acting in concert with them and parties not independent of them (including the Undertaking Unitholders and Undertaking Placees)
<i>“Independent Valuers”</i>	: Asset Research Corporation and Real Value Inc.
<i>“Introduction Fee”</i>	: Has the meaning as defined in paragraph 4.4 of this Circular
<i>“Irrevocable Undertakings”</i>	: Has the meaning as defined in paragraph 4.4 of this Circular
<i>“Issue Price”</i>	: The issue price of S\$0.09 for each Rights Unit with Warrants
<i>“Latest Practicable Date”</i>	: 23 March 2009, being the latest practicable date prior to the printing of this Circular
<i>“Listing”</i>	: The listing of Saizen REIT on the Main Board of the SGX-ST on 9 November 2007
<i>“Listing Manual”</i>	: The listing manual of SGX-ST, as amended, modified or supplemented from time to time
<i>“Listing Rules”</i>	: The listing rules for the time being applicable to the listing of Saizen REIT as an investment fund on the SGX-ST, as the same may be modified, amended, supplemented, revised or replaced from time to time
<i>“Manager”</i>	: Japan Residential Assets Manager Limited
<i>“Management Team”</i>	: The Manager and the Asset Manager
<i>“Market Day”</i>	: A day on which SGX-ST is open for securities trading
<i>“NAV”</i>	: Net asset value
<i>“New Units”</i>	: New Units in Saizen REIT issued upon exercise of the Warrants
<i>“NPAT”</i>	: Net profit after tax
<i>“NTA”</i>	: Net tangible assets

DEFINITIONS

<i>“Offer Information Statement”</i>	:	The offer information statement referred to in section 277 of the SFA, together with the ARE and the ARS and all other accompanying documents including, where the context so admits, any supplementary or replacement documents to be issued by the Manager in connection with the Rights cum Warrants Issue
<i>“Placement Price”</i>	:	The placement price of S\$0.09 for each Available Rights Units
<i>“Proxy Form”</i>	:	The proxy form in respect of the EGM as set out in this Circular
<i>“Record Date”</i>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Manager) on which Unitholders must be registered with the CDP or with the Manager, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<i>“Register of Unitholders”</i>	:	Register of Unitholders
<i>“Register of Warranholders”</i>	:	Register of Warranholders
<i>“Rights cum Warrants Entitlements”</i>	:	The Unitholders’ entitlements to the Rights Units and Warrants pursuant to the Rights cum Warrants Issue
<i>“Rights Units”</i>	:	Up to 497,185,362 new Units, to be allotted and issued by the Manager pursuant to the Rights cum Warrants Issue
<i>“Saizen REIT”</i>	:	Saizen Real Estate Investment Trust
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“Securities and Futures Act” or “SFA”</i>	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SIC”</i>	:	Securities Industry Council
<i>“Substantial Unitholders”</i>	:	Persons who each hold directly and/or indirectly 5% or more of the total issued Units of Saizen REIT
<i>“TK Interest Transfer Agreements”</i>	:	The agreements entered into between the Trustee, the relevant initial TK Operators, and the relevant vendors namely, Central-Top Properties Limited, Japan High Yield Property Fund Limited or Japan High Yield Property Fund (II) Limited for the transfer of interests in certain properties
<i>“TK Operators”</i>	:	YK Shinzan, YK JOF, YK Kokkei, YK Shintoku, YK Shingen, YK Keizan, GK Chosei, GK Choan and GK Chogen
<i>“Trustee”</i>	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Saizen REIT

DEFINITIONS

- “Trust Deed”* : The trust deed dated 27 September 2007 constituting Saizen REIT, as supplemented by the first supplemental deed dated 3 October 2007 and the second supplemental deed dated 29 October 2007, all entered into between the Manager and the Trustee, as may be amended, modified or supplemented from time to time
- “Undertaking Placees”* : Amherst Holdings Limited and Equal Chances Limited
- “Undertaking Parties”* : The Undertaking Unitholders and the Undertaking Placees
- “Undertaking Unitholders”* : ASM as the investment manager of ASMHRF and ASMAR(M)F, Arnold Ip Tin Chee, Chang Sean Pey, Raymond Wong Kin Jeon, Yeh V-Nee, Richard Lo, Terry Fok Kwong Hang, HC Capital Limited and Pioneer Industries (Holdings) Limited
- “Unit”* : A unit representing an undivided interest in Saizen REIT and “Units” shall be construed accordingly
- “Unitholder(s)”* : Registered holders of Units, except that where the registered holder is CDP, the term “Unitholders” shall, in relation to such Units and where the context admits, mean the Depositors whose Securities Accounts are credited with the Units
- “Unitholdings”* : The unitholdings of the respective Unitholders
- “Unit Registrar”* : Boardroom Corporate & Advisory Services Pte. Ltd.
- “Warrant Agent”* : Boardroom Corporate & Advisory Services Pte. Ltd.
- “Warrantholders”* : Registered holders of Warrants, except that where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the Depositors whose Securities Accounts are credited with the Warrants
- “Whitewash Resolution”* : The resolution to be approved by way of a poll by a majority of the Independent Unitholders present and voting at the EGM to waive their rights to receive a mandatory general offer for Saizen REIT from the ASML Group and parties acting in concert with them pursuant to Rule 14 of the Code in relation to the Rights cum Warrants Issue
- “Whitewash Independent Directors”* : Soh Yew Hock, Dennis Lam Siu Sun and Harold Sun Dai Hoe, who are considered independent for the purpose of making recommendations on the Whitewash Resolution
- “Whitewash Waiver”* : The waiver granted by the SIC of the requirements for the ASML Group to make a mandatory general offer for Saizen REIT under Rule 14 of the Code arising from the acquisition by the ASML Group of the undertaken Rights Units with Warrants, excess Rights Units with Warrants and New Units (upon exercise of the Warrants) pursuant to the Rights cum Warrants Issue, subject to the satisfaction of certain conditions as described in paragraph 5.2 of this Circular

DEFINITIONS

“S\$”, “\$” and “cents” : Singapore dollars and cents respectively

“%” or “per cent.” : Per centum or percentage

Unless stated otherwise, the exchange rate of S\$1 = JPY62.7 shall be applied throughout this Circular.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual, the Code or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Code or any modification thereof, as the case may be, unless the context otherwise requires.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

SAIZEN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted under the laws of the Republic of Singapore pursuant to a trust deed dated 27 September 2007 (as amended))

Directors

Mr Arnold Ip Tin Chee (Chairman)
Mr Chang Sean Pey (Chief Executive Officer)
Mr Raymond Wong Kin Jeon
Mr Soh Yew Hock (Independent Director)
Mr Dennis Lam Siu Sun (Independent Director)
Mr Harold Sun Dai Hoe (Independent Director)

Registered Office

72A Duxton Road
Singapore 089531

Date: 1 April 2009

To: The Unitholders of Saizen Real Estate Investment Trust

Dear Sir/Madam

- (1) **PROPOSED ALTERATIONS TO THE TRUST DEED CONSTITUTING SAIZEN REIT (THE "PROPOSED ALTERATIONS TO THE TRUST DEED").**
 - (2) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 497,185,362 NEW UNITS IN SAIZEN REIT (THE "RIGHTS UNITS") AT AN ISSUE PRICE OF S\$0.09 EACH, WITH UP TO 497,185,362 FREE DETACHABLE AND TRANSFERABLE WARRANTS (THE "WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR 1 NEW UNIT IN SAIZEN REIT (THE "NEW UNIT") AT AN EXERCISE PRICE OF S\$0.09 FOR EACH NEW UNIT, SUCH WARRANT TO EXPIRE ON THE DATE IMMEDIATELY PRECEDING THE THIRD (3rd) ANNIVERSARY OF THE DATE OF ISSUE OF THE WARRANTS, ON THE BASIS OF 11 RIGHTS UNITS FOR EVERY 10 EXISTING UNITS IN SAIZEN REIT HELD BY UNITHOLDERS AS AT THE BOOKS CLOSURE DATE, AND 1 WARRANT FOR EVERY RIGHTS UNIT SUBSCRIBED, FRACTIONAL ENTITLEMENT TO BE DISREGARDED (THE "RIGHTS CUM WARRANTS ISSUE");**
 - (3) **PROPOSED COMMITMENT FEE AND INTRODUCTION FEE PAYABLE TO THE UNDERTAKING UNITHOLDERS AND UNDERTAKING PLACEES, FOR THEIR IRREVOCABLE UNDERTAKINGS;**
 - (4) **PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT UNITHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM ARGYLE STREET MANAGEMENT LIMITED AND ITS CONCERT PARTIES FOR THE REMAINING UNITS IN SAIZEN REIT NOT HELD BY THEM ARISING FROM THE RIGHTS CUM WARRANTS ISSUE, EXCESS RIGHTS UNITS WITH WARRANTS AND/OR NEW UNITS UPON THE EXERCISE OF THE WARRANTS; AND**
 - (5) **PROPOSED PLACEMENT OF A MAXIMUM OF UP TO 115,932,629 AVAILABLE RIGHTS UNITS IN SAIZEN REIT WITH 115,932,629 WARRANTS, TO AMHERST HOLDINGS LIMITED AND EQUAL CHANCES LIMITED AT S\$0.09 (THE "PLACEMENT PRICE") FOR EACH AVAILABLE RIGHTS UNIT IN CASH (THE "PLACEMENT EXERCISE") PURSUANT TO THE PLACEMENT AGREEMENTS (AS DEFINED HEREIN).**
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LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

1 INTRODUCTION

- 1.1 The Board of Directors announced on 31 December 2008 that the Manager was proposing to undertake a renounceable non-underwritten rights issue of up to 497,185,362 Rights Units at an issue price of S\$0.09 each, with up to 497,185,362 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Unit at the Exercise Price and as adjusted for any Unit consolidation or sub-division for each New Unit, on the basis of eleven (11) Rights Units for every ten (10) existing Units held by the Entitled Unitholders as at the Books Closure Date, fractional entitlements to be disregarded. The Rights cum Warrants Issue is subject to, *inter alia*:
- (a) the grant of the Whitewash Waiver by the SIC;
 - (b) the approval in-principle of SGX-ST for the listing and quotation of the Rights Units, the Warrants and the New Units on the Official List of SGX-ST (“**Approval-in-Principle**”) having been obtained;
 - (c) the issuance of Rights Units, Warrants and New Units under the Rights cum Warrants Issue and any necessary amendments to be made to the Trust Deed, in relation to the Rights cum Warrants Issue, having been approved by Unitholders at the EGM, or any adjournments thereto;
 - (d) the Whitewash Resolution having been passed by Independent Unitholders at the EGM; and
 - (e) the lodgment by the Manager of the Offer Information Statement with the MAS.

In the event that the necessary amendments to the Trust Deed to facilitate the issue of the Warrants are not approved by the Unitholders at the EGM, the Manager may in its absolute discretion and as it deems fit in the interests of Saizen REIT, proceed with a straightforward rights issue (the “Rights Issue”) whereby apart from no Warrants being attached to the Rights Units to be issued, the Rights Issue shall proceed on the same terms and conditions of the Rights cum Warrants Issue (where applicable).

In the event that Ordinary Resolution 2, Ordinary Resolution 3 and/or Ordinary Resolution 4 as set out in the Notice of EGM are not approved by the Unitholders at the EGM, the Undertaking Unitholders and the Undertaking Placees will be able to withdraw from their Irrevocable Undertakings and the Manager will not be able to proceed with the Rights cum Warrants Issue.

- 1.2 In the Announcement, the Board of Directors announced that the Manager has obtained irrevocable undertakings from the Undertaking Placees to subscribe for Available Rights Units at the Placement Price and to enter into respective placement agreements (the “**Placement Agreements**”) as soon as practicable after the Approval-in-Principle.

Save as disclosed in paragraph 4.2 below and ASM who shall be receiving an Introduction Fee for introducing and assisting in forming the group of Undertaking Unitholders and Undertaking Placees (please refer to paragraph 4.4 of this Circular below for further details), none of the Directors or Substantial Unitholders has any connection with the Undertaking Placees, and none of the Directors or Substantial Unitholders or their respective associates has any interest, direct or indirect in the Placement Exercise.

Rule 811(1) of the Listing Manual provides that, *inter alia*, an issue of units must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed, unless specific unitholder approval is obtained for such an issue.

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The irrevocable undertakings were given pursuant to letters of undertaking (“**Letters of Undertaking**”) which were signed on the 11 December 2008 from the Undertaking Placees to the Manager. Pursuant to the Letters of Undertaking, and subject to the other terms and conditions of the Letters of Undertaking, the Undertaking Placees have undertaken specifically to subscribe for and the Manager has agreed to allot and issue to the Undertaking Placees such number of Available Rights Units (as the Manager may require) and up to their respective Maximum Number of Available Rights Units, in the proportions as set out in the table under paragraph 4.2 of this Circular, at the Placement Price; and to enter into the Placement Agreements. As the Placement Price represents a discount of approximately 30.8% from the price of S\$0.13 per Unit, being the last transacted price traded on SGX-ST on the date of the Letters of Undertaking, Unitholders’ approval is being sought specifically for the allotment and issuance of the Available Rights Units to the Undertaking Placees. Please refer to paragraph 4 of this Circular for further details on the arrangements with the Undertaking Placees.

The approval of the Placement Exercise will be proposed as an Ordinary Resolution at the EGM.

- 1.3 On 18 March 2009, SGX-ST granted the Approval-in-Principle for the listing of and quotation for the Rights Units, the Warrants and the New Units on SGX-ST, subject to, *inter alia*, certain conditions, details of which are set out in paragraph 3.4 of this Circular.
- 1.4 On 18 March 2009, SGX-ST granted the waiver from Rule 825 of the Listing Manual in relation to the Rights cum Warrants Issue as outlined in paragraph 3.5 below.
- 1.5 The purpose of this Circular is to provide Unitholders with, *inter alia*, information pertaining to the proposed alterations to the Trust Deed, the Rights cum Warrants Issue, the Commitment Fee and Introduction Fee, the Whitewash Resolution (including the IFA’s recommendation), and the Placement Exercise and to seek Unitholders’ approval for the same.

2. PROPOSED ALTERATIONS TO THE TRUST DEED

The text of the Trust Deed which are proposed to be altered and included are set out in Appendix A of this Circular. A summary of and rationale for the proposed alterations are set out as below:

2.1 Proposed new Clause 5.1.5

The Manager is proposing to insert a new Clause 5.1.5 in Clause 5 of the Trust Deed. The text of the proposed new clause is set out in Appendix A of this Circular.

Rationale

The new Clause 5.1.5 is to allow the Manager to issue convertible securities, for the purposes of facilitating the implementation of the proposed Rights cum Warrants Issue.

2.2 Proposed amendment to Clause 11.13 and proposed new Clauses 11.13.1 and 11.13.2

Clause 11.13 is proposed to be amended to, *inter alia*, enable Unitholders to authorise the Manager to capitalise and issue bonus Units to Unitholders, in proportion to their Unitholding and in compliance with the Code, the Listing Rules and all applicable rules and regulations. It is proposed that new Clauses 11.13.1 and 11.13.2 be inserted to permit the Manager to do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation. The text of the proposed amendments and new clauses are set out in Appendix A of this Circular.

Rationale

The amendments to Clause 11.13 and the new Clauses 11.13.1 and 11.13.2 are to allow the Manager the option to capitalise and issue bonus Units to Unitholders, which would in turn provide flexibility for the Manager to, in the interim, make distributions in the form of bonus Units credited as fully paid, instead of in the form of cash.

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3. RIGHTS CUM WARRANTS ISSUE

3.1 Overview of the Rights cum Warrants Issue

- 3.1.1 The Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to the Entitled Unitholders at the Issue Price. It shall be offered on the basis of eleven (11) Rights Units for every ten (10) existing Units held by Entitled Unitholders as at the Books Closure Date, fractional entitlements to be disregarded.
- 3.1.2 The Rights Units, when issued, will be issued together with the Warrants on the basis of one (1) Warrant, for every one (1) Rights Unit subscribed, with each Warrant carrying the right to subscribe for one (1) New Unit at the Exercise Price and as adjusted for any Unit consolidation or sub-division for each New Unit.
- 3.1.3 Assuming full subscription of the Rights Units with Warrants and full exercise of the Warrants, based on the Existing Units as at the Latest Practicable Date, 497,185,362 Rights Units with Warrants, 497,185,362 Warrants and 497,185,362 New Units may be issued pursuant to the Rights cum Warrants Issue. The allotment and issuance of 497,185,362 Rights Units, 497,185,362 Warrants and 497,185,362 New Units for the purposes of the Rights cum Warrants Issue is subject to, *inter alia*, Unitholders' approval pursuant to Rule 805(1) of the Listing Manual.
- 3.1.4 The Issue Price was arrived at after taking into account the trading price trends of the Units prior to the signing of the Letters of Undertakings and with reference to similar transactions. The Issue Price represents (i) a discount of approximately 30.8% to the price of S\$0.13 per Unit on the SGX-ST on 31 December 2008, being the last transacted price prior to the Announcement and (ii) a discount of 25.0% from the price of S\$0.12 per Unit, being the last transacted price traded on SGX-ST on the Latest Practicable Date.
- 3.1.5 The amount of net proceeds of about S\$41.1 million (net of estimated expenses of about S\$3.6 million) to be raised from the Rights cum Warrants Issue is determined taking into account (i) the amount of loans of Saizen REIT which are falling due up to January 2010; (ii) the internal funding available; and (iii) the refinancing plans currently in discussion with various potential lenders. Please refer to paragraph 3.6 of this Circular below for further details.
- 3.1.6 The net proceeds of about S\$41.1 million to be raised from the Rights cum Warrants Issue represent the minimum amount that Saizen REIT requires under this equity fund raising exercise. The Manager has considered other alternatives involving financial institutions and underwriters but due to the continuing difficult market conditions, was unable to obtain any underwriting commitment. Hence, the Rights cum Warrants Issue will proceed on a non-underwritten basis. To ensure its success, the Manager has obtained irrevocable undertakings from various parties to undertake to subscribe for Rights Units with Warrants and Available Rights Units. Please refer to paragraph 4 of this Circular below for further details.
- 3.1.7 The Rights Units with Warrants are payable in full upon acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Units, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Units with Warrants.
- 3.1.8 Disregarded fractional entitlements of Rights Units with Warrants will be aggregated with entitlements to the Rights Units with Warrants which are not taken up or allotted for any reason and shall be used to satisfy excess applications for Rights Units with Warrants (if any) or otherwise disposed of or dealt with in such manner as the Manager may, in its

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absolute discretion, deem fit in the interests of Saizen REIT. In the allotment of excess Rights Units with Warrants, preference will be given to the rounding of odd lots, and Substantial Unitholders and Directors will rank last in priority. Such allotment of excess Rights Units with Warrants shall be dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT, to the extent permissible.

- 3.1.9 Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy excess applications (if any) or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT.
- 3.1.10 After excess applications are satisfied, the Manager may allot any remaining excess Rights Units with Warrants to any investors (not being Unitholders) (including but not limited to the Undertaking Placees) who wish to invest in Saizen REIT, if any, in such manner and on such terms and conditions as the Manager may in its absolute discretion deem fit in the best interests of Saizen REIT, provided that as between such investors, investors who are directors of the Manager will rank last in priority.
- 3.1.11 The Manager will take steps to ensure that Rule 803 of the Listing Manual on the restriction of transfer of controlling interest without prior approval of Unitholders in a general meeting is complied with in their exercise of discretion to allot and issue any excess Rights Units with Warrants.
- 3.1.12 In view of the prevailing market conditions and the cost considerations by the Manager, the Manager has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis and no placement or selling agents have been appointed in relation to the Rights cum Warrants Issue. Please refer to paragraph 4 of this Circular for further details. Further, the Rights cum Warrants Issue will not be withdrawn after commencement of ex-rights trading pursuant to Rule 820(1) of the Listing Manual.
- 3.1.13 Unitholders should take note that the principal terms of the Rights cum Warrants Issue are subject to such changes as the Manager may deem fit. The final terms and conditions will be set out in the Offer Information Statement to be despatched to the Entitled Unitholders in due course.

3.2 Principal Terms of the Rights Units

- Number of Rights Units : Up to 497,185,362 Rights Units (with up to 497,185,362 Warrants) to be allotted and issued.
- Basis of provisional allotment : Eleven (11) Rights Units for every ten (10) existing Units held by Entitled Unitholders as at the Books Closure Date, fractional entitlements to be disregarded.
- Issue Price : S\$0.09 for each Rights Unit with Warrants, payable in full on acceptance and/or application.
- Listing of the Rights Units : Approval-in-Principle for the listing and quotation of the Rights Units on SGX-ST was granted on 18 March 2009, subject to certain conditions, details of which are set out in paragraph 3.4 of this Circular.

The Approval-in-Principle is not to be taken as an indication of the merits of the Rights cum Warrants Issue and Saizen REIT.

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- Trading of the Rights Units : Upon the listing of and quotation for the Rights Units on SGX-ST, the Rights Units will be traded on SGX-ST under the book-entry (scripless) settlement system. For the purpose of trading on SGX-ST, each board lot of Rights Units will consist of 1,000 Units or such number as may be notified by the Manager.
- Acceptance, excess applications and payment procedures : Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy excess applications (if any) or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT. In the allotment of excess Rights Units with Warrants, first preference will be given to the rounding of odd lots and Substantial Unitholders and Directors will rank last in priority. Such allotment of Excess Rights Units with Warrants shall be dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT, to the extent permissible.
- Status of the Rights Units : The Rights Units, when allotted and issued, will rank *pari passu* in all respects with the then existing Units, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Units.
- Eligibility to participate in the Rights cum Warrants Issue : Please see paragraph 3.7 of this Circular.
- Use of CPF funds : Unitholders under the CPF Investment Scheme – Ordinary Account may use their CPF account savings (subject to the availability of investible savings) (“**CPF Funds**”) for the payment of the Issue Price to subscribe for their provisional allotments of Rights Units with Warrants and/or apply for excess Rights Units with Warrants.
- Such Unitholders who wish to accept the provisional allotments of Rights Units with Warrants and (if applicable) apply for excess Rights Units with Warrants using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Units with Warrants on their behalf in accordance with the terms and conditions of the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the Rights Units with Warrants directly from the market.
- Non-underwritten : The Rights cum Warrants Issue is not underwritten.
- Governing law : Laws of the Republic of Singapore.

3.3 Principal Terms of the Warrants

- Number of Warrants to be issued : Up to 497,185,362 Warrants.

The actual number of Warrants to be issued will depend on the level of the subscriptions or the valid acceptances for the provisional allotments of Warrants and the valid applications for the excess Warrants.

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- Basis of provisional allotment : One (1) Warrant for every one (1) Rights Unit subscribed.
- Exercise Price : S\$0.09 in cash, being the price at which each New Unit may be subscribed for upon the exercise of a Warrant, subject to adjustments under certain circumstances pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll.
- Status of the New Units : The New Units, when allotted and issued upon exercise of the Warrants, will rank *pari passu* in all respects with existing Units for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the relevant exercise date of the Warrants.
- Listing of the Warrants and the New Units : SGX-ST has granted approval-in-principle for the listing of and quotation for the Warrants and the New Units on SGX-ST (subject to certain conditions as described in paragraph 3.4 of this Circular). The Approval-in-Principle is not to be taken as an indication of the merits of the Rights cum Warrants Issue and Saizen REIT.
- Detachability and trading : The Warrants will be detached from the Rights Units on allotment and issue and subject to there being sufficient spread of holdings for the Warrants (and subject to compliance with Rule 826 of the Listing Manual which states that as a guide, the SGX-ST expects there to be at least 100 Warrantholders of the same class), upon the listing of and quotation of the Warrants on SGX-ST, the Warrants will be traded under the book-entry (scripless) settlement system. For the purpose of trading on SGX-ST, each board lot of Warrants will consist of 1,000 Warrants or such number as may be notified by the Manager.
- Form and subscription rights : The Warrants, to be constituted by the Deed Poll, will be issued in registered form. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant shall entitle the Warrantholder to subscribe for one (1) New Unit at the Exercise Price at any time during the Exercise Period (as defined below). Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- Exercise period (the “**Exercise Period**”) : The Warrants may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Unitholders is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Unitholders or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Exercise Period.

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Notice of expiry of the Warrants shall be sent to all Warrantheolders of Saizen REIT at least one (1) month before the respective Expiration Dates, and the appropriate announcement of the respective Expiration Dates shall also be made on SGXNET.

Payment of Exercise Price : Warrantheolders must pay the full amount of the Exercise Price payable in respect of the Warrants exercised, by way of:

- (i) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore;
- (ii) subject, *inter alia*, to the Warrants being listed on SGX-ST, by debiting the relevant Warrantheolder's CPF Investment Account (as defined in the Deed Poll) with the CPF approved bank as specified in the Exercise Notice (as defined in the Deed Poll); or
- (iii) subject to the Warrants being listed on SGX-ST, partly in the form of remittance and/or partly by debiting such Warrantheolder's CPF Investment Account with the CPF approved bank as specified in the Exercise Notice (as defined in the Deed Poll),

to the specified office of the Warrant Agent (as defined in the Deed Poll).

Transfer and transmission : The Warrants shall be transferable in lots entitling Warrantheolders to subscribe for whole numbers of Units. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, *inter alia*, the following:

- (i) lodgment of certificates and transfer forms - a Warrantheolder whose Warrants are registered in his own name (the "**Transferor**") shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor's Warrant certificate(s) together with an instrument of transfer (the "**Transfer Form**"), in the form approved by the Manager duly completed and signed by or on behalf of the Transferor and the transferee and duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll provided that the Manager and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a Warrantheolder of the Warrants until the name of the transferee is entered in the register of Warrantheolders by the Warrant Agent or the Depository Register by CDP, as the case may be;

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- (ii) the executors and administrators of a deceased Warranthead whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) and, in the case of death of one or more of several registered joint holders, the survivor or survivors of such joint holders, shall be the only persons recognised by the Manager and the Warrant Agent as having title to Warrants registered in the name of the deceased Warranthead. Such persons shall, on producing to the Warrant Agent such evidence as may be reasonably required by the Warrant Agent to prove their title and on the payment of such fees and expenses set out in the Deed Poll, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warranthead could have made; and
- (iii) where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry. A Depositor shall be deemed to remain a Warranthead until the name of the transferee is entered in the Depository Register by CDP.

Termination : If Saizen REIT is terminated, all Warrants which have not been exercised at the date of the passing of such resolution for the termination of Saizen REIT shall lapse and the Warrants shall cease to be valid for any purpose.

A Warranthead shall have no rights upon the termination of Saizen REIT.

Adjustments : The Exercise Price and the number of Warrants to be held by each Warranthead will be subject to adjustments under certain circumstances to be provided for in the Deed Poll. Such circumstances include, without limitation, consolidation or sub-division of the Units, capitalisation issues, rights issues and certain capital distributions. Any additional warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants and will for all intents and purposes be part of the same series.

Any such adjustments shall (unless otherwise provided under the rules of SGX-ST from time to time) be announced by the Manager on SGXNET.

Modification of Terms of Warrants : The Manager may without the consent of the Warrantheads but in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, effect any modification to the terms of the Warrants or the Deed Poll which, in the opinion of the Manager is (i) not materially prejudicial to the interests of the Warrantheads; (ii) of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore

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law or the rules and regulations of SGX-ST; and/or (iii) to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Units arising from the exercise thereof or meetings of the Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of Saizen REIT's securities on SGX-ST, provided that such modification is not materially prejudicial to the interests of the Warranholders.

Notwithstanding the above, and except where the alterations are made pursuant to the conditions of the Deed Poll, the Manager shall not:

- (a) extend the Exercise Period;
- (b) issue new warrants to replace the Warrants;
- (c) change the Exercise Price; or
- (d) change the exercise ratio of the Warrants.

Any such modification shall be binding on the Warranholders and all persons having an interest in the Warrants and shall be notified to them in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, as soon as practicable thereafter.

Without prejudice to any other provisions to be set out in the Deed Poll, any material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholders and prejudicial to Unitholders must be approved by the Unitholder in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll. Any modification of, or amendment or addition to the Deed Poll, may be effected only by deed, executed by the Manager and expressed to be supplemental to the Deed Poll.

The Manager will make an immediate announcement on SGX-ST upon any material alterations made to the terms of the Warrants.

Further issues

- : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Manager shall be at liberty to issue Units to Unitholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Manager sees fit but the Warranholders shall not have any participating rights in such issues of Units by the Manager unless in the event of a takeover offer to acquire the Units.

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- Use of CPF funds : CPF unitholders may use their savings in the CPF Ordinary Account (subject to the availability of investable savings) for the payment of the Exercise Price upon exercise of the Warrants (in which case the New Units arising therefrom will be held through the CPF Investment Account). CPF unitholders are NOT permitted to use the CPF monies to:
- (i) purchase the “nil-paid” rights traded on SGX-ST; and/or
 - (ii) purchase the Warrants traded on SGX-ST (the listing thereof subject to there being a sufficient spread of holdings).
- Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd.
- Governing law : Laws of the Republic of Singapore.

3.4 Conditions for the Rights cum Warrants Issue

The Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (i) receipt of approval-in-principle from SGX-ST for the listing and quotation of the Rights Units, the Warrants and the New Units on SGX-ST;
- (ii) approval from the SGX-ST for a waiver in relation to Rule 825 of the Listing Manual as outlined in paragraph 3.5 below;
- (iii) the issuance of Rights Units and/or Warrants and New Units under the Rights cum Warrants Issue and any necessary amendments to be made to the Trust Deed, in relation to the Rights cum Warrants Issue, being approved by Unitholders at the EGM;
- (iv) the approval of the Independent Unitholders for the Whitewash Resolution at the EGM; and
- (v) lodgment of the Offer Information Statement in respect of the Rights cum Warrants Issue with the MAS.

On 18 March 2009, SGX-ST granted its Approval-in-Principle, subject to, *inter alia*, the following conditions:

- (i) compliance with the SGX-ST's continuing listing requirements;
- (ii) Unitholders' approval being obtained in a general meeting to be convened for the Rights cum Warrants Issue;
- (iii) submission of confirmation from the Manager that it will comply with Rule 830 of the Listing Manual to announce any adjustment of the terms of the Warrants made pursuant to Rule (829)(1) of the Listing Manual;
- (iv) preference being given to the rounding of odd lots in the allotment of any excess Rights Units with Warrants and Directors and Substantial Unitholders to rank last in priority in the allotment of any excess Rights Units with Warrants;
- (v) submission of notification in Rule 864(4) of the Listing Manual, if applicable, upon any significant changes affecting the matter in the application;

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- (vi) submission of confirmation from the Manager that upon completion of the Rights cum Warrants Issue, there is sufficient spread of holdings (at least 100 Warrantholders) prior to the listing of the Warrants, to provide for an orderly market in the Warrants as required by Rule 826 of the Listing Manual;
- (vii) submission of undertakings from the Manager to (i) make periodic announcements on the use of proceeds arising from the Rights cum Warrants Issue and the New Units as and when the fund are materially disbursed; and (ii) provide a status report on the use of the proceeds from the Rights cum Warrant Issue and the New Units in Saizen REIT's annual report;
- (viii) Unitholders' approval being obtained in a general meeting to be convened for the Placement Exercise; and
- (ix) submission of confirmation(s) from financial institutions that the Undertaking Unitholders and Placees have the necessary financial resources to subscribe for the portion of the Rights Units with Warrants that they have undertaken to subscribe under the Rights cum Warrants Issue and pursuant to the Letters of Undertaking.

Unitholders should note that the Approval-in-Principle is not to be taken as an indication of the merits of the Rights cum Warrants Issue or Saizen REIT. SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

3.5 Approval from the SGX-ST for waiver in relation to Rule 825

On 23 February 2009, the Manager made an application to the SGX-ST for a waiver of Rule 825 of the Listing Manual. Rule 825 of the Listing Manual prohibits the number of New Units arising from the conversion of outstanding Warrants from exceeding 50% of the issued Units in Saizen REIT.

On 18 March 2009, SGX-ST approved the Manager's application for a waiver from compliance with Rule 825 of the Listing Manual, subject to the following conditions:

- (i) the disclosure of the recommendations of the Board on such an issue of the Warrants and the basis for such recommendations in this Circular; and
- (ii) the Manager making an announcement of the waiver granted via SGXNET pursuant to Rule 107.

3.6 Purpose of the Rights cum Warrants Issue and Use of Proceeds

3.6.1 Reasons for the Rights cum Warrants Issue

The purpose of the Rights cum Warrants Issue is to increase the equity capital base of Saizen REIT so as to facilitate the refinancing and repayment of all its loans (with the exception of the loans from GK Chosei, GK Choan and GK Chogen, repayment of such loans which shall be negotiated at a date closer to loan maturity, as further described in the table of paragraph 3.6.3 below) (the "**CMBS Loans**") funded by commercial mortgage-backed securities ("**CMBS**"). With the Rights cum Warrants Issue, the Manager aims to immediately protect close to 90% of the value of Saizen REIT from CMBS Loans refinancing risk.

Saizen REIT has been relying solely on the CMBS market for financing at Listing. Due to the global credit crisis, the Japanese CMBS market has abruptly shut down at the beginning of year 2008. Since then, the origination or extension of loans in the CMBS market has been virtually impossible, thus making uncertain the ability of Saizen REIT to refinance its CMBS Loans.

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The Management Team has endeavoured to replace its CMBS Loans with traditional loans from commercial banks and financial institutions, and has been successful in securing three new traditional lenders during the course of year 2008 for approximately 25% of Saizen REIT's outstanding debt. This process was interrupted when the credit market deteriorated further since September 2008 with the collapse of several prominent financial institutions. While the Management Team is confident of such process given time, the imminent maturity of the CMBS Loans in November and December 2009 makes it a race against time. To increase Saizen REIT's financing options and to improve the likelihood of its refinancing plans, an equity capital injection is necessary.

3.6.2 Current development

The Management Team is currently working on four different fronts, including (i) the securing of short-term bridging facilities; (ii) arrangement of a syndicated loan financing with the assistance of the financial adviser, Société Générale; (iii) a bilateral loan with a Japanese regional bank; and (iv) negotiation with holders of a CMBS for possible extension of loan maturity. The Rights cum Warrants Issue is imperative in facilitating items (i) and (ii) above, and the Management Team believes that Saizen REIT's ability to negotiate on each of the remaining fronts will be greatly improved by the completion of the Rights cum Warrants Issue.

More importantly, with the proceeds of the Rights cum Warrants Issue, the short-term bridging facilities and the stable operational cash flow conserved, Saizen REIT can fully repay five out of the six CMBS Loans outstanding as discussed below; thereby unencumbering about JPY21.32 billion (S\$340.0 million) worth of property assets from the CMBS Loans. The remaining CMBS Loans relating to YK Shintoku is non-recourse in nature and is not cross-collateralised against any other assets within Saizen REIT; and even in the worst case scenario of a default, approximately 88.7% of the Rights Adjusted NAV (as defined herein) of Saizen REIT will not be affected, as further discussed in the section "Financial effects on NAV" in paragraph 3.6.3 of this Circular. This highlights the importance of the Rights cum Warrants Issue in protecting a substantial portion of the value of Saizen REIT and is further discussed with details and figures as set out below.

3.6.3 Loan maturity profile and repayment/ refinancing plans

TK Operators	Maturity date	Loan Amount ⁽¹⁾		Collateral value (based on property value as at 30 June 2008)		Collateral value (property value based on Desktop Valuation as at 31 January 2009)		Current repayment and refinancing plans
		(JPY million)	(SGD million)	(JPY million)	(SGD million)	(JPY million)	(SGD million)	
YK Shinzan	January 2009	3,916.0	62.5	5,673.0	90.5	4,894.0	78.1	Loan have been fully repaid at maturity using cash resources
YK JOF	April 2009	1,340.1	21.4	2,559.0	40.8	2,320.0	37.0	Loan to be fully repaid at maturity using cash resources
YK Kokkei	November 2009	808.4	12.9	1,657.0	26.4	1,495.0	23.8	Loan to be fully repaid at maturity using cash resources

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TK Operators	Maturity date	Loan Amount ⁽¹⁾		Collateral value (based on property value as at 30 June 2008)		Collateral value (property value based on Desktop Valuation as at 31 January 2009)		Current repayment and refinancing plans
		(JPY million)	(SGD million)	(JPY million)	(SGD million)	(JPY million)	(SGD million)	
YK Shintoku	November 2009	7,953.0	126.8	11,673.5	186.2	10,301.0	164.3	Appointed financial advisor for refinancing of this loan through possible syndicated loan financing
YK Shingen	December 2009	4,620.0	73.7	10,901.4	173.9	9,705.0	154.8	Loan to be fully repaid at maturity using proceeds from Rights cum Warrants Issue and operational cash flow
YK Keizan	January 2010	1,536.3	24.5	3,181.4	50.7	2,907.0	46.4	Loan to be fully repaid at maturity using proceeds from Rights cum Warrants Issue, operational cash flow and proceeds from short term bridging facilities
GK Chosei	May 2011	477.6	7.6	685.0	10.9	587.0	9.4	To be negotiated closer to loan maturity
GK Choan	July 2011	5,900.0	94.1	11,968.0	190.9	10,857.0	173.2	To be negotiated closer to loan maturity
GK Chogen	March 2023	336.5	5.4	764.0	12.2	702.0	11.2	To be negotiated closer to loan maturity
Total		26,887.9	428.9	49,062.3	782.5	43,768.0	698.2	

Notes:

- (1) Actual loan amount, being borrowings per unaudited balance sheet as at 31 December 2008 adding back borrowing costs capitalised.

The loans of each TK Operators are secured against their respective property portfolio and are not cross-collateralised with portfolios of other TK Operators. The loans are also on a non-recourse basis to Saizen REIT. In particular, the loans of YK Shinzan, YK JOF, YK Kokkei, YK Shintoku, YK Shingen and YK Keizan are funded as component parts of a series of CMBS where the loans of the aforesaid TK Operators are pooled with loans of other borrowers. Typically, the loan pool will be transferred to a trust which then issues a series of securities in the form of the CMBS that may vary in yield, duration, payment priority and credit rating. Different investors purchase different tranches of these CMBS based on the level of credit risk/ yield/ duration that they seek. Due to such structures, there are typically a number of holders in the CMBS and the complex and fragmented holding structures hinder the ability for the terms of the loans being renegotiated upon their maturity. Given that they are difficult to be extended or partially repaid, the Manager believes that it will be expedient to fully repay the loans of as many TK Operators as

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possible so that refinancing discussions can be more focused. The aim of the Management Team is to repay or refinance all the existing CMBS loans of the TK Operators with the plans as discussed further below; after which all remaining borrowings of Saizen REIT and its TK Operators will be loans obtained directly from commercial banks and financial institutions where direct communications with the ultimate lenders are possible.

As at 31 December 2008, Saizen REIT has a total net cash balance (net cash balance being cash and cash equivalent plus deposits with cash management agents (less rental deposits, other current liabilities and current tax liabilities)) of approximately JPY7.51 billion (S\$119.8 million). Using these internal cash resources, the loan of YK Shinzan of JPY3.92 billion (S\$62.5 million) has been fully repaid in January 2009. The Management Team also intends to fully repay the loans of YK JOF and YK Kokkei using internal cash resources when they fall due. Following the above repayments, the Manager will maintain unencumbered properties with an aggregate value of JPY8.71 billion (S\$138.9 million) (based on the Desktop Valuation), thereby providing Saizen REIT with more flexibility in its refinancing plans.

Subsequent to the above, there is an aggregate of JPY14.11 billion (S\$225.0 million) loans due in respect of YK Shintoku, YK Shingen and YK Keizan in November and December 2009 and January 2010. Based on the assessment of the Management Team, with (i) the net proceeds from the Rights cum Warrant Issue of approximately S\$41.1 million (approximately JPY2.58 billion), (ii) the estimated operational cashflow which Saizen REIT is expected to generate up to the date of maturity of YK Shingen and YK Keizan's loans, and (iii) the securing of a short term bridging facilities of JPY400 million (S\$6.4 million), the Management Team believes Saizen REIT will have sufficient cash resources to fully repay the loans of YK Shingen and YK Keizan when they fall due. This then allows efforts to be focused towards refinancing of YK Shintoku's loan of approximately JPY7.95 billion (S\$126.8 million).

With regard to the short term bridging facilities, the Management Team has agreed on the terms (subject to legal documentation) with a potential lender. These facilities are intended to be repaid with internal cash resources within six months after January 2010. In respect of the refinancing of YK Shintoku, the Manager has appointed Société Générale, who is a lender to the TK Operator GK Choan, as its financial adviser and has commenced discussions with various potential lenders on possible syndicated loan financing. With the enhanced financial position upon completion of the Rights cum Warrants Issue, the Manager believes it will be in a strong position to obtain reasonably satisfactory financing. In contrast, any delay in the Rights cum Warrants Issue will likely hinder the refinancing negotiations, especially when the loan maturity of YK Shintoku in November 2009 approaches.

In summary, whilst the net proceeds from the Rights cum Warrants Issue of S\$41.1 million (approximately JPY2.58 billion) will not be sufficient to fully repay Saizen REIT's loans maturing within the next 15 months, the Rights cum Warrants Issue will strengthen the capital base of Saizen REIT and will play an important role in facilitating the repayment of a substantial portion of loans falling due up to January 2010 which will in turn allow the unencumbering of property assets of approximately JPY21.32 billion (S\$340.0 million) (based on the Desktop Valuation as at 31 January 2009) from such CMBS Loans. The Rights cum Warrants Issue also facilitates the refinancing negotiations for the loan of YK Shintoku. The Manager therefore considers the Rights cum Warrants Issue to be in the best interests of Saizen REIT and the Unitholders. In addition, the Rights cum Warrants Issue also allows all Unitholders to participate on a pre-emptive basis in Saizen REIT's fund raising and avoid the potential dilution effects of other forms of capital-raising exercise such as private placement issues. Proceeds from the Rights cum Warrants Issue will be used for the aforesaid repayment of loans and in the interim, for general working capital purposes. The Manager will announce any material disbursements of the proceeds via SGXNET as and when such disbursements occur.

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Financial effects on NAV

The NAV of Saizen REIT as at 31 December 2008 was JPY29.43 billion (S\$469.4 million). Adjusting for the reduction in value of investment properties from JPY49.15 billion (S\$783.9 million) to JPY43.77 billion (S\$698.1 million) pursuant to the Desktop Valuation, the adjusted NAV of Saizen REIT will be JPY24.05 billion (S\$383.6 million). Taking into account net proceeds from the Rights cum Warrants Issue, the adjusted NAV will increase to JPY26.62 billion (S\$424.6 million) ("**Rights Adjusted NAV**").

Following completion of the Rights cum Warrants Issue, and in the event where the refinancing of the YK Shintoku loan is not successful, Saizen REIT may give up the assets and the corresponding liabilities of YK Shintoku, amounting to approximately JPY11.14 billion (S\$177.7 million) (adjusted for the Desktop Valuation) as at 31 December 2008, and JPY8.13 billion (S\$129.7 million) respectively. The net result is that the Rights Adjusted NAV will be reduced by JPY3.01 billion (S\$48.0 million) or 11.3% to JPY23.61 billion (S\$376.6 million), or in other words, 88.7% of the Rights Adjusted NAV will not be affected. Given the above and the non-recourse nature of its loans, the Management Team believes that Saizen REIT's ability to operate as a going concern will not be impacted even in the above scenario.

In the absence of the Rights cum Warrants Issue, Saizen REIT may have to give up further TK operators in addition to YK Shintoku. The estimated impact on the NAV is up to approximately 35% where NAV will decline from JPY24.05 billion (S\$383.6 million) as at 31 December 2008 (adjusted for Desktop Valuation) to approximately JPY15.67 billion (S\$249.9 million). The Management Team believes that there will be material adverse implications on the existing banking relationships under such circumstances.

3.7 Eligibility of Unitholders to Participate in the Rights cum Warrants Issue

3.7.1 Entitled Unitholders

Entitled Unitholders will be entitled to participate in the Rights cum Warrants Issue and to receive the Offer Information Statement together with the AREs, as the case may be, and its accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP, the Unit Registrar or any stockbroking firm during the period from the date the Rights cum Warrants Issue commences up to the Closing Date.

Entitled Unitholders will be provisionally allotted the Rights Units under the Rights cum Warrants Issue on the basis of their Unitholdings as at the Books Closure Date. They are at liberty to accept, decline, renounce or trade on SGX-ST in part or in full (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotment of Rights Units with Warrants, and are eligible to apply for additional Rights Units with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue. Full details of the Rights cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be despatched to Entitled Unitholders in due course.

All dealings in and transactions of the provisional allotments of Rights Units with Warrants through SGX-ST will be effected under the book-entry (scripless) settlement system.

(a) Entitled Depositors

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to effect any change in address must reach CDP not later than five (5) Market Days before the Books Closure Date.

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3.7.2 Foreign Unitholders

The Offer Information Statement and its accompanying documents relating to the Rights cum Warrants Issue will be lodged with the MAS. The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any other jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Unitholders.

Foreign Unitholders who wish to accept the provisional allotment of the Rights Units with Warrants should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Manager further reserves the right to reject any acceptances of the Rights Units with Warrants and/or applications for excess Rights Units with Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered address with CDP.

Entitled Depositors who may wish to maintain a mailing address (the “**Rights Mailing Address**”) with CDP for the purpose of receiving the Rights cum Warrants Issue documents should inform CDP in writing at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807. Depositors are reminded that any request to register a Rights Mailing Address or to effect any change in address must reach CDP not later than five (5) Market Days before the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Manager, be made for the provisional allotment of Rights Units with Warrants which would otherwise have been provisionally allotted to Foreign Unitholders to be sold “nil-paid” on SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Units with Warrants commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Unitholders in proportion to their respective Unitholdings or, as the case may be, the number of Units entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of Saizen REIT and no Foreign Unitholder shall have any claim whatsoever against the Manager, the Trustee, the Unit Registrar or CDP in connection therewith.

Where such provisional allotment of Rights Units with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager may, in its absolute discretion, decide and no Foreign Unitholder shall have any claim whatsoever against the Manager, the Trustee, the Unit Registrar or CDP in respect of such sales or the proceeds thereof, the provisional allotment of Rights Units with Warrants or the Rights Units with Warrants represented by such provisional allotments.

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If such provisional allotments cannot be or are not sold on SGX-ST as aforesaid for any reason by such time as SGX-ST shall have declared to be the last day for trading in the provisional allotment of Rights Units with Warrants, the Rights Units with Warrants represented by such provisional allotments will be issued and allotted to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of Saizen REIT and no Foreign Unitholder shall have any claim whatsoever against the Manager, the Trustee, the Unit Registrar or CDP in connection therewith.

Unitholders should note that the special arrangements described above will apply only to Foreign Unitholders.

Notwithstanding the above, Unitholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units with Warrants unless such offer, invitation or solicitation can lawfully be made without violating any regulatory or legal requirements in such jurisdictions.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotment of the Rights Units with Warrants and for excess application for the Rights Units with Warrants pursuant to the Rights cum Warrants Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Manager to Entitled Unitholders in due course.

3.8 Financial Effects of the Rights cum Warrants Issue

The pro forma financial effects of the Rights cum Warrants Issue on the Existing Units, the pro forma distribution per Unit (“DPU”), the pro forma NAV per Unit, the pro forma capitalisation and aggregate leverage of the Group presented below are strictly for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of Saizen REIT and the Group immediately after the completion of the Rights cum Warrants Issue.

The following pro forma financial effects of the Rights cum Warrants Issue were prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2008 (the “**Group FY2008 Audited Financial Statements**”) and the unaudited consolidated financial statements of the Group for the period ended 31 December 2008 (the “**Group 2QFY2009 Unaudited Financial Statements**”) as well as certain assumptions, including but not limited to, the followings (the “**Assumptions**”):

- (i) the Whitewash Resolution is approved by the Independent Unitholders at the EGM;
- (ii) the Rights cum Warrants Issue is fully subscribed for and the Rights Units and New Units are fully allotted and issued;
- (iii) net proceeds of approximately S\$41.1 million were raised under the Rights cum Warrants Issue (before the exercise of Warrants), being the gross proceeds of approximately S\$44.7 million less the estimated expenses of the Rights cum Warrants Issue of about S\$3.6 million; and
- (iv) net proceeds of approximately S\$44.7 million were raised upon full exercise of the Warrants, with no additional expense.

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3.8.1 The effects of the Rights cum Warrants Issue on the Existing Units

The effects of the Rights cum Warrants Issue, assuming full exercise of the Warrants, on the Existing Units are as follows:

	No. of Units
Existing Units before the Rights cum Warrants Issue	451,986,693
Add: Rights Units to be issued	497,185,362
Enlarged total number of Units issued after the Rights cum Warrants Issue, but before exercise of the Warrants	949,172,055
Add: New Units after all Warrants issued were exercised ⁽¹⁾	497,185,362
Enlarged total number of Units issued after the Rights cum Warrants Issue and exercise of all Warrants	1,446,357,417

Note:

- (1) Assuming that there are no adjustments to the number of Warrants and that all Warrants issued were exercised.

3.8.2 Pro forma DPU

In addition to the Assumptions, the following pro forma financial effects on the DPU for FY2008 are prepared based on the Group FY2008 Audited Financial Statements taking into account and assuming that: (i) the S\$/JPY exchange rate was 80.5 as at 1 July 2007; and (ii) the Rights cum Warrants Issue was completed on 1 July 2007:

	As at 30 June 2008		
	Audited	Adjusted for the effects of the Rights Units only	Adjusted for the effects of the Rights Units and New Units
Distributable income (JPY'000)	1,697,164	1,800,510 ⁽¹⁾	1,912,911 ⁽²⁾
Units in issue ('000)	451,149	948,334 ⁽³⁾	1,445,520 ⁽⁴⁾
DPU (JPY)	3.76	1.90	1.32
DPU (S\$ cents) ⁽⁵⁾	4.90	2.48	1.72

Notes:

- (1) Net proceeds from the Rights Units of approximately S\$41.1 million were used to repay JPY3.31 billion borrowings with an average interest cost of 3.12% per annum on 1 July 2007 and resulted in interest savings of approximately S\$1.28 million or approximately JPY103.35 million.
- (2) The aggregate net proceeds from the Rights Units and New Units of approximately S\$85.8 million were used to repay JPY6.91 billion borrowings with an average interest cost of 3.12% per annum on 1 July 2007 and resulted in interest savings of approximately S\$2.68 million or approximately JPY215.75 million.
- (3) 497,185,362 Rights Units were issued upon completion of the Rights cum Warrants Issue (before the exercise of any Warrants).

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(4) 497,185,362 Rights Units were issued upon completion of the Rights cum Warrants Issue and 497,185,362 New Units were issued upon full exercise of Warrants.

(5) Based on S\$/JPY average exchange rate of 76.7 between 1 July 2007 and 30 June 2008.

The pro forma financial effects on the DPU for 2QFY2009 will not be shown as there is no distribution for 2QFY2009.

3.8.3 Pro forma NAV

In addition to the Assumptions, the following pro forma financial effects on the NAV per Unit as at 31 December 2008 are prepared based on the Group 2QFY2009 Unaudited Financial Statements taking into account and assuming that: (i) the S\$/JPY exchange rate was 62.7 as at 31 December 2008; and (ii) the Rights cum Warrants Issue was completed on 31 December 2008:

	As at 31 December 2008		
	Unaudited	Adjusted for the effects of the Rights Units only	Adjusted for the effects of the Rights Units and New Units
NAV (JPY'000)	29,397,102	31,964,038 ⁽¹⁾	34,755,560 ⁽²⁾
Units in issue as at 31 December 2008 ⁽³⁾ ('000)	451,987	949,172	1,446,357
NAV per Unit (JPY)	65.04	33.68	24.03
NAV per Unit (S\$ cents) ⁽⁴⁾	1.04	0.54	0.38

Notes:

(1) Net proceeds from the Rights Units of approximately S\$41.1 million were used to repay JPY2.58 billion borrowings on 31 December 2008 and unamortized borrowing transaction costs of approximately JPY12.96 million were written off.

(2) The aggregate net proceeds from the Rights Units and New Units of approximately S\$85.8 million were used to repay JPY5.39 billion borrowings on 31 December 2008 and the unamortized borrowing transaction cost of approximately JPY27.06 million were written off.

(3) Details are set out in section 3.8.1 above.

(4) Based on S\$/JPY exchange rate of 62.7 as at 31 December 2008.

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3.8.4 Pro forma capitalisation

The pro forma capitalisation of the Group as at 31 December 2008 taking into account and assuming that (i) the S\$/JPY exchange rate was 62.7 as at 31 December 2008; (ii) the Rights cum Warrants Issue was completed on 31 December 2008 and (iii) certain borrowings were repaid on 31 December 2008, is as follows:

	As at 31 December 2008		
	Unaudited (JPY'000)	Adjusted for the effects of the Rights Units only (JPY'000)	Adjusted for the effects of the Rights Units and the New Units (JPY'000)
Secured borrowing:			
Short-term	18,582,916	16,015,980	13,224,458
Long-term	8,051,389	8,051,389	8,051,389
Total debt:	26,634,305	24,067,369	21,275,847
Net assets attributable to Unitholders	29,397,102	32,189,758	34,981,280
Expenses relating to the Rights Issue	–	(225,720)	(225,720)
Total net assets attributable to Unitholders	29,397,102	31,964,038	34,755,560
Total capitalisation	56,031,407	56,031,407	56,031,407

3.8.5 Aggregate leverage

In addition to the Assumptions, the following pro forma financial effects on the aggregate leverage are prepared based on the Group 2QFY2009 Unaudited Financial Statements taking into account and assuming that: (i) the S\$/JPY exchange rate was 62.7 as at 31 December 2008; and (ii) the Rights cum Warrants Issue was completed on 31 December 2008.

	As at 31 December 2008			
	Unaudited (JPY'000)	Before the Rights cum Warrants Issue⁽¹⁾ (JPY'000)	Adjusted for the effects of the Rights Units only⁽³⁾ (JPY'000)	Adjusted for the effects of the Rights Units and the New Units⁽⁴⁾ (JPY'000)
Total interest-bearing loans ⁽²⁾	26,887,751	22,971,751	20,391,854	17,586,237
Total assets	57,992,381	54,076,381	54,076,381	54,076,381
Aggregate leverage (%)	46.36	42.48	37.71	32.52

Notes:

(1) Adjusted for the repayment of loans amounting to JPY3,916 million in January 2009 using internal cash resources.

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- (2) Balance adding back borrowing transaction costs capitalised.
- (3) Net proceeds from the Rights Units of approximately S\$41.1 million were used to repay JPY2.58 billion borrowings on 31 December 2008.
- (4) The aggregate net proceeds from the Rights Units and New Units of approximately S\$85.8 million were used to repay JPY5.39 billion borrowings on 31 December 2008.

The Directors are of the view that the Rights cum Warrants Issue will strengthen the balance sheet of the Group by reducing its aggregate leverage, which in turn could further strengthen the Group's credit profile and enhance its ability to secure or negotiate debt facilities in the future.

4. IRREVOCABLE UNDERTAKINGS

Given the difficulties in securing underwriting commitments from financial institutions, the Rights cum Warrants Issue will proceed on a non-underwritten basis. To ensure its success, the Manager with the assistance of ASM has sourced for various parties to undertake to subscribe for Rights Units with Warrants and Available Rights Units in the manner as set out further below in this paragraph.

As disclosed in paragraph 6 of this Circular, pursuant to the Rights cum Warrants Issue, the Unitholdings of ASM (who as at Latest Practicable Date is the single largest Unitholder with approximately 11.5% Unitholding) may rise to 31.39%, upon completion of the Rights cum Warrants Issue (and before the exercise of any Warrants) and 37.6% upon the exercise of all their Warrants. Please refer to paragraph 6 of this Circular for further details. However, ASM is purely a financial investor in Saizen REIT and has no active role in the control and management of Saizen REIT.

The Manager is in the process of appointing a new Director (who is on the board of ASM), subject to all relevant regulatory approvals. This possible new appointment is for the purposes of replacing Yeh V-Nee (a former Director who is also on the board of ASM), who resigned from the Board on 20 January 2009. In addition, the Manager is also considering the appointment of another Director who is on the board of ASM. There is no change in the management of Saizen REIT notwithstanding these possible new appointments.

Apart from as disclosed above, to the best of the knowledge of the Directors, the participation of the Undertaking Unitholders and Undertaking Placees in the Rights cum Warrants Issue is not expected to nor will it result in any change in control or management of Saizen REIT going forward.

4.1 The Undertaking Unitholders

The Manager has obtained irrevocable undertakings from the Undertaking Unitholders who, for the purposes of assisting the Manager in raising sufficient funds for the purposes as described in paragraph 3.6 above, has irrevocably undertaken to, *inter alia*:

- (a) vote or to procure votes in respect of all the Units held by them (directly or indirectly) respectively, in favour of the Rights cum Warrants Issue at the EGM to be convened;
- (b) subscribe or to procure to be subscribed in full, their respective Rights cum Warrants entitlements as set out in the table below in paragraph 4.2; and
- (c) subscribe and pay for the entirety of their purchase of the Maximum Number of Available Rights Units (as defined below in this paragraph), in the manner as further described below.

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The Undertaking Unitholders in their sole capacity as Unitholders are prepared to subscribe for more than their respective direct or indirect entitlements to the Rights cum Warrants Issue entitlements and have therefore further irrevocably undertaken to make or give instructions to be made, excess applications for the Available Rights Units (in the case of ASM, such excess applications shall be made for and on behalf of ASMHRF and ASMAR(M)F). Such excess applications will be made by the Undertaking Unitholders for such number of Available Rights Units (the “**Undertaken Excess Applications**”) in the proportion of the maximum number of Available Rights Units attributable to the respective Undertaking Unitholder relative to the total number of the maximum number of Available Rights Units (the “**Maximum Number of Available Rights Units**”) as set out in the table below in paragraph 4.2 of this Circular.

Please refer to paragraph 6 of this Circular “Unitholding Effects” for further details on the current Unitholdings of the Undertaking Unitholders.

4.2 The Undertaking Placees

In a separate exercise to paragraph 4.1 above, to ensure that sufficient funds are raised for Saizen REIT’s purposes, the Manager has recommended placing out Available Rights Units to non-Unitholders, in the event that insufficient funds are raised solely from the Rights cum Warrants Issue.

The Manager has therefore obtained irrevocable undertakings from the Undertaking Placees to, *inter alia*, enter into respective Placement Agreements with the Manager as soon as practicable after the Approval-in-Principle is granted for the Rights cum Warrants Issue, and to subscribe for such number of Available Rights Units (as the Manager may require) and up to their respective Maximum Number of Available Rights Units, in the proportions as set out in the table below.

Name	Respective Portions of Rights cum Warrants Entitlement under the Irrevocable Undertakings (Units)	Maximum Number of Available Rights Units ⁽¹²⁾ (to be taken up pursuant to the Undertaken Excess Applications) (Units)	Total (Units)
Directors and Existing Unitholders			
Arnold Ip Tin Chee ⁽¹⁾	1,914,271	Approximately 3,054,271	Approximately 4,968,542
Raymond Wong Kin Jeon ⁽²⁾	3,936,552	Approximately 22,562,334	Approximately 26,498,886
Chang Sean Pey ⁽³⁾	187,000	Approximately 144,236	Approximately 331,236
Existing Unitholders			
Yeh V-Nee ⁽⁴⁾	5,657,149	Approximately 10,904,655	Approximately 16,561,804
Richard Lo ⁽⁵⁾	1,877,280	Approximately 8,059,803	Approximately 9,937,083
Terry Fok Kwong Hang ⁽⁶⁾	847,307	Approximately 15,714,497	Approximately 16,561,804

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Name	Respective Portions of Rights cum Warrants Entitlement under the Irrevocable Undertakings (Units)	Maximum Number of Available Rights Units ⁽¹²⁾ (to be taken up pursuant to the Undertaken Excess Applications) (Units)	Total (Units)
Existing Unitholders			
ASM (as investment manager of ASMHRF and ASMAR(M)F) ⁽⁷⁾	57,179,687	Approximately 188,763,105	Approximately 245,942,792
HC Capital Limited ⁽⁸⁾	3,270,608	Approximately 29,853,000	Approximately 33,123,608
Pioneer Industries (Holdings) Limited ⁽⁹⁾	6,559,892	Approximately 20,767,085	Approximately 27,326,977
Sub – Total	81,429,746	Approximately 299,822,986	Approximately 381,252,733
Non-Unitholders			
Amherst Holdings Limited ⁽¹⁰⁾	–	Approximately 82,809,021	Approximately 82,809,021
Equal Chances Limited ⁽¹¹⁾	–	Approximately 33,123,608	Approximately 33,123,608
Sub – Total	–	Approximately 115,932,629	Approximately 115,932,629
Grand Total of Rights cum Warrants Entitlement	81,429,746	Approximately 415,755,615	Approximately 497,185,362⁽¹³⁾

Notes:

- (1) Arnold Ip Tin Chee is the chairman of the Manager. His entitlements are calculated pursuant to his indirect interests which are derived through the entitlements to be renounced by the Manager, and his interests in Greenery Limited and Starich Resources Limited, both of which are 80% indirectly owned by a trust namely The General Trust Company Limited, of which Arnold Ip Tin Chee is one of the beneficiaries.
- (2) Raymond Wong Kin Jeon is a director of the Manager. His entitlements are calculated pursuant to his indirect interests which are derived through his nominees namely HSBC (Singapore) Nominees Pte. Ltd. and Citibank Nominees Singapore Pte. Ltd, his interests in Beagle Capital Limited (“**Beagle**”), interests in Saizen REIT held by his spouse, as well as the entitlements to be renounced by the Manager. As Raymond Wong Kin Jeon has a controlling interest in Beagle, he is deemed to be interested in the Units held by Beagle. As at the Latest Practicable Date, Raymond Wong Kin Jeon holds 50% of the shareholdings of Beagle which holds 2,008,350 Units (which includes Units purchased subsequent to the Announcement), representing 0.44% of Saizen REIT.
- (3) Chang Sean Pey is the chief executive officer of the Manager. His entitlements are calculated pursuant to his direct interests.
- (4) Yeh V-Nee’s entitlements are calculated pursuant to his indirect interests which are derived through his nominees, namely HSBC (Singapore) Nominees Pte. Ltd., and the entitlements to be renounced by the Manager.
- (5) Richard Lo is a director of the Asset Manager. His entitlements are calculated pursuant to his indirect interests which are derived through his interests in Ardian International Limited (“**Ardian International**”), Ardian Holdings Limited (“**Ardian Holdings**”), as well as the entitlements to be renounced by the Manager. As at the Latest Practicable Date, Richard Lo holds 50% and 100% in Ardian International and Ardian Holdings respectively. Ardian International and Ardian Holdings respectively owned 1,027,614 Units and 381,000 Units representing 0.23% and 0.08% of Saizen REIT. As Mr. Lo has the controlling interests in Ardian International and Ardian Holdings, he is deemed to be interested in the Units held by Ardian International and Ardian Holdings.

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- (6) Terry Fok Kwong Hang's entitlements are calculated pursuant to his direct interests.
- (7) ASM is the investment manager of ASMHRF and ASMAR(M)F. ASM specialises in special situations investments and has assets under management of approximately US\$787 million as at 31 December 2008. Its entitlements are calculated pursuant to ASMHRF and ASMAR(M)F's interests in Saizen REIT held through their nominee, namely HSBC (Singapore) Nominees Pte. Ltd.
- (8) HC Capital Limited's entitlements are calculated pursuant to its interests held through its nominees, namely HSBC (Singapore) Limited and BNP Paribas Noms S'pore PL 8270817. HC Capital is an indirect wholly-owned subsidiary of Hsin Chong International Holdings Limited ("HCIH"), a company incorporated in Bermuda which is an investment holding company. Mr. Yeh V-Nee is one of the beneficiaries of GHY HK Trust ("GHYHK Trust"). GHYHK Trust is a discretionary trust which owns not more than 20% of HCIH.
- (9) Pioneer Industries (Holdings) Limited is a subsidiary of Pioneer Global Group Limited, which is listed on the Stock Exchange of Hong Kong. Its entitlements are calculated pursuant to its interests in Saizen REIT held through its nominee, UOB Kay Hian Pte Ltd.
- (10) Amherst Holdings Limited is a private investment company incorporated in the British Virgin Islands and is wholly-owned by Mr. James Chen Yue Jia.
- (11) Equal Chances Limited is a private investment company incorporated in the British Virgin Islands and is wholly-owned by Mr. Lim Hong Seh. Equal Chances Limited has invested in public equities, private equities and real estates.
- (12) Please refer to paragraph 4.3 below for further details on how the maximum number of Available Rights Units were derived.
- (13) The discrepancy in the approximate total is due to rounding.

Undertaking Placees' Confirmation

Equal Chances Limited is wholly-owned by Mr Lim Hong Seh who is one of the beneficiaries of LIMSAN Trust which has an effective interest of approximately 0.8% in ASMAR(M)F.

Save as disclosed above, each of the Undertaking Placees has provided confirmation that the respective directors and substantial shareholders of the Undertaking Placees have no connection (including any business relationship) with Saizen REIT, the Manager, the Directors and Substantial Unitholders.

4.3 **Maximum Number of Available Rights Units**

The basis of the number of Maximum Number of Available Rights Units is determined on an arbitrary basis, which is based on: (i) each of the Undertaking Unitholders' further commitment to the Rights cum Warrants Issue apart from subscribing for their own entitlements; and (ii) each of the Undertaking Placees' commitment to the Rights cum Warrants Issue.

4.4 **The Commitment and Introduction Fees and Escrow Costs**

In consideration of the irrevocable undertakings as described in paragraph 4.1 and paragraph 4.2 above (the "**Irrevocable Undertakings**"), the Undertaking Unitholders and the Undertaking Placees shall be entitled to receive a fee of 7% (the "**Commitment Fee**") of the value of the Maximum Number of Available Rights Units (as set out besides their names in the table above), determined by multiplying such Maximum Number of Available Rights Units by the price per Rights Unit. The Commitment Fee is being paid only in relation to the excess applications that the Undertaking Unitholders and the Undertaking Placees have undertaken to make pursuant to the Irrevocable Undertakings.

The amount of Commitment Fee payable to the Undertaking Unitholders is 7% of the sum of 299,822,986 Units multiplied by the Issue Price. The Commitment Fee payable to the Undertaking Unitholders is therefore approximately S\$1.89 million. Out of this sum of S\$1.89 million, approximately S\$162,293 is being paid to Arnold Ip Tin Chee, Raymond Wong Kin Jeon and Chang Sean Pey, who are Undertaking Unitholders as well as Directors of the Manager.

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The amount of Commitment Fee payable to the Undertaking Placees is 7% of the sum of 115,932,629 Units multiplied by the Issue Price. The Commitment Fee payable to the Undertaking Unitholders is therefore approximately S\$730,375.

In addition, ASM shall be entitled to an introduction fee of S\$565,732 (the “**Introduction Fee**”) for introducing and assisting in forming the group of Undertaking Unitholders and Undertaking Placees.

Prior to obtaining the Irrevocable Undertakings and agreeing to the Commitment Fee and Introduction Fee, the Manager has considered other alternatives involving financial institutions and underwriters but due to the continuing difficult market conditions, it was unable to obtain any underwriting commitment for the Rights cum Warrants Issue.

When considering the payment of the Commitment Fee and Introduction Fee, the Manager took into consideration the following:

- (a) the Irrevocable Undertakings ensure the success of the Rights cum Warrants Issue given the difficulties in securing underwriting commitment as described above, and will enable Saizen REIT to raise gross proceeds of S\$44.7 million which is critical to Saizen REIT’s overall refinancing and loan repayment plans;
- (b) the Irrevocable Undertakings are firm and are not subject to force majeure and other provisions which allow a typical underwriter to terminate its underwriting obligations. This is important to Saizen REIT especially in the midst of the current uncertain market environment; and
- (c) the Commitment Fee and Introduction Fee (which is only relevant for ASM) took into account the Undertaking Unitholders’ and Undertaking Placees’ opportunity costs of having to set aside funds for the subscription of the Units for a relatively lengthy period of time, especially in the current uncertain market environment.

The Irrevocable Undertakings are subject to, *inter alia*, the Whitewash Waiver having been granted by the SIC, the Whitewash Resolution having been passed by the Independent Unitholders by way of poll at the EGM and the payment of the Commitment Fee and Introduction Fee. The SIC had on 13 February 2009, granted to the ASML Group the Whitewash Waiver subject to the satisfaction of certain conditions, details of which are set out in paragraph 5 of this Circular.

The Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees have entered into escrow arrangements with the Manager and The Hongkong and Shanghai Banking Corporation Limited (the “**Escrow Agent**”), pursuant to which the Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees have deposited the required subscription amounts to enable them to subscribe for the portion of the Rights Units with Warrants that they have undertaken to subscribe under the Rights cum Warrants Issue and pursuant to the Letters of Undertaking, into escrow accounts maintained with the Escrow Agent. The costs of these escrow arrangements (the “**Escrow Costs**”) shall be borne by Saizen REIT.

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Pursuant to the escrow arrangements as described above, the Manager has received letters from the Escrow Agent confirming that the Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees respectively have deposited with the Escrow Agent pursuant to the escrow arrangements the required subscription amounts in relation to the portion of the Rights Units with Warrants that they have respectively undertaken to subscribe under the Rights cum Warrants Issue and pursuant to the respective Letters of Undertaking.

ASM, HC Capital Limited and Yeh V-Nee

The Manager has received letters from independent third party financial institutions confirming that ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee have the required subscription amount to subscribe for the portion of the Rights Units with Warrants that they have undertaken to subscribe under the Letters of Undertaking in relation to the Rights cum Warrants Issue.

4.5 **Commitment Fee and Introduction Fee to Undertaking Unitholders compared to the NTA of Saizen REIT**

The NTA of Saizen REIT as at 31 December 2008 was S\$469.4 million. The Commitment Fee payable to the Undertaking Unitholders as a percentage of the NTA is approximately 0.40%. The Commitment Fee and the Introduction Fee (a total sum of approximately S\$2.45 million) payable to the Undertaking Unitholders as a percentage of the NTA is approximately 0.52%.

4.6 **Directors' and Audit Committee's Assurance and Confirmation**

Based on the factors described in paragraph 4.4 above, the Directors unanimously provide assurance and confirm that the undertaking arrangements as described above in paragraphs 4.1, 4.2, 4.3 and 4.4, including the Commitment Fee, Introduction Fee and Escrow Costs are (i) fair and not prejudicial to Saizen REIT and its Unitholders; and (ii) agreed on an arm's length basis and on normal commercial terms.

The Audit Committee confirms that the Irrevocable Undertakings by the Undertaking Unitholders and Undertaking Placees, the payment of the Commitment Fee, the payment of the Introduction Fee and the escrow arrangements and the agreement for Saizen REIT to bear the Escrow Costs (i) have been agreed on an arm's length basis and on normal commercial terms; and (ii) are not prejudicial to the interests of Saizen REIT and its minority Unitholders.

Accordingly, the Independent Unitholders are therefore asked to vote on the payment of the Commitment Fee and the Introduction Fee as set out in Ordinary Resolution 2 in the Notice of EGM.

Unitholders should note that in the event that Ordinary Resolution 2, Ordinary Resolution 3 and/or Ordinary Resolution 4 as set out in the Notice of EGM are not approved by the Independent Unitholders at the EGM, the Undertaking Unitholders and the Undertaking Placees will be able to withdraw from their Irrevocable Undertakings and the Manager will not be able to proceed with the Rights cum Warrants Issue.

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5. WHITEWASH RESOLUTION

5.1 Introduction

As at the Latest Practicable Date, the number and percentage of voting rights in Saizen REIT in respect of Units held by the ASML Group and their concert parties are as set out below:

	No. of Units (Collective Interest)	%
As at the Latest Practicable Date		
ASML Group		
ASM	–	–
Argyle Street Management Holdings Limited	–	–
ASMHRF	13,217,309	2.93
ASMARF	–	–
ASMAR(M)F	38,764,227	8.58
Central-Top Properties Limited (“ Central-Top ”)	–	–
Japan Opportunities Fund Limited (“ JOF ”)	–	–
Kin Chan	–	–
Seow Shu Ping, Jo-Ann (spouse of Kin Chan)	745,695	0.16
Li Yick Yee Angie	152,835	0.03
Yeh V-Nee	4,966,047	1.10
Total of ASML Group	57,846,113	12.80

As at the Latest Practicable Date, (i) the ASML Group and their concert parties do not hold any instruments convertible into, rights to subscribe for and options in respect of the Units, and (ii) the concert parties of the ASML Group do not hold any Units.

5.2 Whitewash Waiver

Assuming that (i) only the Undertaking Unitholders (including the ASML Group and parties acting in concert with them) subscribe in full for their respective Rights cum Warrants Issue entitlements, (ii) none of the other Unitholders subscribe for their respective Rights cum Warrants Issue entitlements, and (iii) each of the Undertaking Unitholders (and whereby the Undertaking Placees subscribe for Available Rights Units in the manner as stipulated in paragraph 4.2 above) subscribe for their respective excess applications under the Undertaken Excess Applications (the “**Maximum Subscription Scenario**”), the Unitholdings of the ASML Group and parties acting in concert with them will increase in the following manner:

- (a) the Unitholding interests of the ASML Group and parties acting in concert with them will increase from an aggregate of approximately 12.8% to approximately 33.9%, on the basis that the ASML Group and parties acting in concert with them and the remaining Undertaking Parties exercise all their rights to subscribe for Rights Units pursuant to all their Rights cum Warrants Issue entitlements and Undertaken Excess Applications; and

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- (b) the Unitholding interests of the ASML Group and parties acting in concert with them will increase from an aggregate of approximately 12.8% to approximately 48.2%, on the basis that the event as contemplated above in paragraph 5.2(a) has occurred and thereafter, only the ASML Group and parties acting in concert with them exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, and none of the other Undertaking Parties subscribe for New Units through the exercise of their respective Warrants.

Pursuant to the Rights cum Warrants Issue and in the Maximum Subscription Scenario, the aggregate Unitholding of the ASML Group and parties acting in concert with them will increase to more than 30%. In this event, the ASML Group and parties acting in concert with them will then be required under the Code to make a mandatory general offer (“**Mandatory Offer**”) for the Units not already owned by them pursuant to Rule 14.1(a) of the Code, unless the said obligation is waived by the SIC.

For the avoidance of doubt, the other Undertaking Unitholders (not including the ASML Group and parties acting in concert with them) will not be subject to Rule 14 of the Code to make a Mandatory Offer for the remaining Units not already owned or controlled by them as their aggregate Unitholding will not exceed 30% of the issued Units in Saizen REIT as a result of them subscribing for the Rights Units with Warrants and the excess Rights Units with Warrants, and/or exercising, from time to time, their right to subscribe for new Units under their Warrants entitlements in respect of the Rights Units acquired pursuant to the Irrevocable Undertakings and Excess Application Undertakings.

Application to SIC

Accordingly, an application was made to the SIC for a waiver of the obligations of the ASML Group to make a mandatory general offer for Saizen REIT under Rule 14 of the Code. On 13 February 2009, the SIC granted the Whitewash Waiver subject to the satisfaction of the conditions stated in paragraph 5.3 below.

5.3 **Conditions of the Whitewash Waiver**

As mentioned above, the SIC had on 13 February 2009, granted the Whitewash Waiver, subject to the satisfaction of certain conditions, including, *inter alia*, the following:

- (a) a majority of holders of voting rights of Saizen REIT present and voting at a general meeting, held before the issue of the Rights Units and the Warrants to the ASML Group, approve by way of a poll, the Whitewash Resolution to waive their rights to receive a general offer from the ASML Group and parties acting in concert with them;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the ASML Group, parties acting in concert with them and parties not independent of them (including the Undertaking Unitholders and the Undertaking Placees) abstain from voting on the Whitewash Resolution;
- (d) the ASML Group and their concert parties, did not acquire and are not to acquire, any Units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new units which have been disclosed in the Circular):
- (i) during the period between the Announcement and the date Unitholders’ approval is obtained for the Whitewash Resolution; and

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- (ii) in the six (6) months prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights cum Warrants Issue;
- (e) the Manager appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;
- (f) the Manager sets out clearly in the Circular to Unitholders:
 - (i) details of the Rights cum Warrants Issue;
 - (ii) the dilution effect of the ASML Group's acquisition of Rights Units and exercise of the Warrants to existing holders of voting rights;
 - (iii) the number and percentage of voting rights in Saizen REIT as well as the number of instruments convertible into, rights to subscribe for and options in respect of Units held by the ASML Group and its concert parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to the ASML Group as a result of their subscription to Rights Units and exercise of Warrants;
 - (v) specific and prominent reference to the fact that the Rights cum Warrants Issue could result in the ASML Group holding Units carrying over 49% of the voting rights in Saizen REIT based on its enlarged issued unitholdings, and the fact that the ASML Group will be free to acquire further Units without incurring any obligation under Rule 14 of the Code to make a general offer for Saizen REIT;
 - (vi) that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the ASML Group at the highest price paid by the ASML Group and parties acting in concert with them for Units in the past six (6) months preceding the commencement of the Rights cum Warrants Issue; and
 - (vii) that the Unitholders by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;
- (g) the Circular to the Unitholders states that the waiver granted by SIC to the ASML Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated in paragraphs (a) to (f) above;
- (h) the ASML Group obtains SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution, the acquisition of Rights Units with Warrants by the ASML Group under the Rights cum Warrants Issue must be completed within three (3) months of the approval of the Whitewash Resolution and the acquisition of New Units upon the exercise of the Warrants must be completed within five (5) years of the date of the Rights cum Warrants Issue; and
- (j) the ASML Group provides a written undertaking to SIC that it will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on section 2 of Appendix 1 of the Code.

The Independent Unitholders are therefore asked to vote, on a poll, on the Whitewash Resolution as set out as Ordinary Resolution 3 in the Notice of the EGM on pages 70 to 72 of this Circular.

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The Manager has, on behalf of Saizen REIT, appointed the IFA to advise the Whitewash Independent Directors on the Whitewash Resolution. The advice of the IFA is set out in Appendix B to this Circular.

By voting in favour of the Whitewash Resolution, the Independent Unitholders will be waiving their rights to receive a mandatory general offer for their Units under Rule 14 of the Code from the ASML Group and parties acting in concert with them, at the highest price paid by the ASML Group and parties acting in concert with them for the Units in the past six (6) months preceding the commencement of the Rights cum Warrants Issue, which the ASML Group and parties acting in concert with them would otherwise have been obliged to make for the Units.

Independent Unitholders should further note that the ASML Group and parties acting in concert with them may choose to subscribe for any number of excess Rights Units under the Rights cum Warrants Issue. In a situation whereby for any reason whatsoever, any or all of the Undertaking Unitholders and/or the Undertaking Placees (other than ASML Group and parties acting in concert with them) do not subscribe for and purchase their respective entitlements and make excess applications in accordance with their Irrevocable Undertakings, there would be excess Rights Units under the Rights cum Warrants Issue.

In the event where any of the Undertaking Unitholders and/or the Undertaking Placees (other than the ASML Group and parties acting in concert with them) do not fulfill their obligations under the Irrevocable Undertakings, and the ASML Group and parties acting in concert with them accept their provisional allocations and subscribe for all excess Rights Units, under the Rights cum Warrants Issue, as well as exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, the Rights cum Warrants Issue could therefore result in the ASML Group and its concert parties holding Units carrying over 49.0% of the voting rights of Saizen REIT based on its enlarged issued Unitholdings.

In the event where all of the Undertaking Unitholders and Undertaking Placees (other than ASML Group and parties acting in concert with them) do not fulfill their obligations under the Irrevocable Undertakings, and the other public Unitholders do not subscribe for and purchase their respective entitlements and make excess applications, and the ASML Group and parties acting in concert with them accept their provisional allocations and subscribe for all excess Rights Units under the Rights cum Warrants Issue, as well as exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, the Rights cum Warrants Issue could result in the ASML Group and its concert parties holding Units carrying over 72% of the voting rights of Saizen REIT based on its enlarged issued Unitholdings.

The ASML Group and its concert parties would be free in the above events to thereafter acquire further Units without incurring any obligation under Rule 14 of the Code to make a mandatory general offer.

The Independent Unitholders should note that by voting for the Whitewash Resolution, they could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer for their Units in view of the potential dilution effect of the Warrants.

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6. UNITHOLDING EFFECTS

Based on the effective interests of the ASML Group, Directors of the Manager, and Substantial Unitholders as at the Latest Practicable Date, the dilution effects of the Rights cum Warrants Issue on the Unitholdings of Undertaking Unitholders, Undertaking Placees and the remaining Unitholders in the Maximum Subscription Scenario are set out below:

Unitholders	As at the Latest Practicable Date		After Rights Units with Warrants are issued (before exercise of any Warrants entitlements and assuming that only the Undertaking Unitholders and Undertaking Placees have taken up their entitlements and the Undertaken Excess Applications and none of the other Unitholders take up their Rights Units with Warrants)		After Rights Units with Warrants are issued (after exercise of Warrants entitlements and assuming that only the Undertaking Unitholders and Undertaking Placees have exercised their Warrants entitlements and none of the other Unitholders exercise their Warrants entitlements)		After Rights Units with Warrants are issued (after exercise of Warrants entitlements and assuming that only the ASML Group and parties acting in concert with them have exercised their Warrants entitlements and none of the other Unitholders exercise their Warrants entitlements)	
	Units	%	Units	%	Units	%	Units	%
ASML Group:								
ASM (as investment manager of ASMHRF and ASMAR(M)F) ⁽¹⁾	51,981,536	11.50	297,924,330	31.39	543,867,123	37.60	543,867,123	44.81
Argyle Street Management Holdings Limited ("ASMHL") ⁽²⁾	–	–	–	–	–	–	–	–
ASMARF ⁽³⁾	–	–	–	–	–	–	–	–
Central-Top Properties Limited	–	–	–	–	–	–	–	–
Japan Opportunities Fund Limited	–	–	–	–	–	–	–	–
Kin Chan ⁽⁴⁾	–	–	–	–	–	–	–	–
Seow Shu Ping, Jo-Ann (spouse of Kin Chan)	745,695	0.16	745,695	0.08	745,695	0.05	2,386,224	0.20
Li Yick Yee, Angie	152,835	0.03	152,835	0.02	152,835	0.01	489,072	0.04
Yeh V-Nee ⁽⁵⁾	4,966,047	1.10	21,527,851	2.27	38,089,655	2.63	38,089,655	3.14
Directors:								
Arnold Ip Tin Chee	1,740,246	0.38	6,708,788	0.70	11,677,329	0.81	6,708,788	0.55
Raymond Wong Kin Jeon ⁽⁶⁾	4,538,683	1.00	31,037,569	3.27	57,536,456	3.98	31,037,569	2.56
Chang Sean Pey	170,000	0.04	501,236	0.05	832,472	0.06	501,236	0.04
Substantial Unitholders:								
Cube Capital Limited	27,178,008	6.01	27,178,008	2.86	27,178,008	1.88	27,178,008	2.24
UBS AG	27,208,000	6.02	27,208,000	2.87	27,208,000	1.88	27,208,000	2.24
Undertaking Placees:								
Amherst Holdings Limited ⁽⁷⁾	–	–	82,809,021	8.72	165,618,042	11.45	82,809,021	6.82
Equal Chances Limited	–	–	33,123,608	3.49	66,247,216	4.58	33,123,608	2.73
Other Unitholders:								
Pioneer Industries (Holdings) Limited	5,963,538	1.32	33,290,515	3.51	60,617,492	4.19	33,290,515	2.74
HC Capital Limited	2,973,280	0.66	36,096,888	3.80	69,220,496	4.79	36,096,888	2.98
Richard Lo	1,706,618	0.38	11,643,700	1.23	21,580,783	1.49	11,643,700	0.96
Terry Fok Kwong Hang	770,279	0.17	17,332,083	1.83	33,893,887	2.34	17,332,083	1.43
Public	321,891,928	71.23	321,891,928	33.91	321,891,928	22.26	321,891,928	26.52
Total	451,986,693	100.00	949,172,055	100.00	1,446,357,417	100.00	1,213,653,418	100.00

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Notes:

- (1) ASM does not hold any direct interests in Saizen REIT. ASM is however the beneficial owner of more than 20% of the voting shares of ASMHRF and more than 20% of the voting shares of ASMARF. Accordingly, pursuant to the Companies Act, ASM is deemed to be interested in the 13,217,309 Units owned by ASMHRF and the 38,764,227 Units owned by ASMAR(M)F (Please refer to the footnotes of the table under paragraph 4.2 of this Circular for further details on ASM's Unitholding interests).
- (2) ASMHL does not hold any direct interests in Saizen REIT. ASMHL is however the beneficial holder of more than 50% of the voting shares of ASM. Pursuant to the Companies Act, ASMHL is deemed to be interested in the 51,981,536 Units which ASM is deemed to be interested in.
- (3) ASMARF does not hold any direct interests in Saizen REIT. ASMARF is however the beneficial holder of more than 50% of the issued share capital of ASMAR(M)F. Pursuant to the Companies Act, ASMARF is deemed to be interested in the 38,764,227 Units owned by ASMAR(M)F.
- (4) Kin Chan does not hold any direct interests in Saizen REIT. Kin Chan is however the beneficial holder of more than 20% of the issued share capital of ASMHL. Pursuant to the Companies Act, Kin Chan is deemed to be interested in the 51,981,536 Units which ASMHL is deemed to be interested in. See note 2 above for further details on ASMHL's Unitholding interests. Kin Chan is also deemed interested in the 745,695 Units owned by his spouse, Seow Shu Ping, Jo-Ann.
- (5) Apart from his direct interests, Yeh V-Nee is also the beneficial holder of more than 20% of the issue share capital of ASMHL. Pursuant to the Companies Act, Yeh V-Nee is deemed to be interested in the 51,981,536 Units which ASMHL is deemed interested in. See note 2 above for further details on ASMHL's Unitholding interests. Yeh V-Nee is also deemed to be interested in the 4,966,047 Units held by his nominee, HSBC (Singapore) Nominees Pte. Ltd.
- (6) Subsequent to the Announcement, Beagle Capital Limited ("**Beagle**") and Raymond Wong Kin Jeon's spouse have purchased an aggregate of 960,000 Units, representing 0.21% of Existing Units. Raymond Wong Kin Jeon therefore has interests in a total of 4,538,683 Units, representing 1.00% of Existing Units as at the Latest Practicable Date, including the entitlements to be renounced by the Manager. Nevertheless, pursuant to the irrevocable undertaking given by Mr. Raymond Wong Kin Jeon in relation to the Rights cum Warrants Issue, Raymond Wong Kin Jeon is only obliged to subscribe for his own entitlement as at the date of the undertaking letter of 3,936,553 Units and up to 22,562,334 Available Rights Units.
- (7) Under the scenarios presented in this paragraph 6, Amherst Holdings Limited will become a substantial Unitholder pursuant to the Rights cum Warrants Issue, but for ease of reference, it has only been included under the heading of Undertaking Placees.

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

7. DISCLOSURE OF UNITHOLDINGS

The following table shows the Unitholding of the Directors and the Substantial Unitholders as at the Latest Practicable Date. The table is based on the disclosure of interests notifications filed by the Directors and Substantial Unitholders, the register of Directors' Unitholdings, the register of Unitholders kept by the Manager and information known to the Manager as at the Latest Practicable Date:

Unitholder	Direct Interest		Indirect Interest		Total	
	Units	% ⁽¹⁾	Units	% ⁽¹⁾	Units	% ⁽¹⁾
Directors						
Arnold Ip Tin Chee ⁽²⁾	–	–	2,932,262	0.65	2,932,262	0.65
Chang Sean Pey ⁽³⁾	170,000	0.04	–	–	170,000	0.04
Raymond Wong Kin Jeon ⁽⁴⁾	–	–	4,298,293	0.95	4,298,293	0.95
Soh Yew Hock	–	–	–	–	–	–
Dennis Lam Siu Sun ⁽⁵⁾	–	–	188,000	0.04	188,000	0.04
Harold Sun Dai Hoe	–	–	–	–	–	–
Substantial Unitholders						
ASMHRF ⁽⁶⁾	–	–	13,217,309	2.93	13,217,309	2.93
ASMAR(M)F ⁽⁷⁾	–	–	38,764,227	8.58	38,764,227	8.58
ASM Asia Recovery Fund (“ ASMARF ”) ⁽⁶⁾	–	–	38,764,227	8.58	38,764,227	8.58
ASM ⁽⁷⁾	–	–	51,981,536	11.50	51,981,536	11.50
Argyle Street Management Holdings Ltd (“ ASMHL ”) ⁽⁹⁾	–	–	51,981,536	11.50	51,981,536	11.50
Yeh V-Nee ⁽¹⁰⁾	–	–	56,947,583	12.60	56,947,583	12.60
Kin Chan ⁽¹¹⁾	–	–	52,727,231	11.66	52,727,231	11.66
Cube Capital Limited (“ Cube Capital ”) ⁽¹²⁾	–	–	27,178,008	6.01	27,178,008	6.01
UBS AG	–	–	27,208,000	6.02	27,208,000	6.02

Notes:

- (1) Based on the 451,986,693 Existing Units of Saizen REIT as at the Latest Practicable Date.
- (2) Arnold Ip Tin Chee is the chairman of the Manager. His entitlements are calculated pursuant to (i) his indirect interests in 950,569 Units which are derived through his interests in Greenery Limited and Starich Resources Limited, both of which are 80% indirectly owned by a trust namely The General Trust Company Limited, of which Arnold Ip Tin Chee is one of the beneficiaries; and (ii) the 1,981,693 Units that were issued to the Manager as management and/or acquisition fees. As Arnold Ip Tin Chee is indirectly entitled to exercise control of over 20% of voting shares in the Manager, he is deemed interested in the 1,981,693 Units owned by the Manager as at the Latest Practicable Date.
- (3) Chang Sean Pey is the chief executive officer of the Manager. His entitlements are calculated pursuant to his direct interests.
- (4) Raymond Wong Kin Jeon is a director of the Manager. His entitlements are calculated pursuant to his indirect interests which are derived through his nominees, namely HSBC (Singapore) Nominees Pte. Ltd. and Citibank Nominees Singapore Pte. Ltd, his interests in Beagle, interests in Saizen REIT held by his spouse. As Raymond Wong Kin Jeon has a controlling interest in Beagle, he is deemed to be interested in the Units held by Beagle. As at the Latest Practicable Date, Beagle owned 2,008,350 Units (which includes Units purchased subsequent to the Announcement).
- (5) Dennis Lam Siu Sun is a Director. He is the beneficial holder of more than 20% of the issued share capital of Somerset Holdings Limited. Pursuant to the Companies Act, Dennis Lam Siu Sun is deemed to be interested in the 188,000 Units representing 0.04% held by Somerset Holdings Limited.

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

- (6) Please refer to the footnotes of the table under paragraph 4.2 of this Circular for further details on ASMHRF.
- (7) ASMARF is the beneficial holder of more than 50% of the issued share capital of ASMAR(M)F. Pursuant to the Companies Act, ASMARF is deemed to be interested in the 38,764,227 Units which ASMAR(M)F is deemed to be interested in.
- (8) ASM is the beneficial owner of more than 20% of the voting shares of ASMHRF and more than 20% of the voting shares of ASMARF. Accordingly, pursuant to the Companies Act, ASM is deemed to be interested in the 13,217,309 Units owned by ASMHRF and the 38,764,227 Units owned by ASMAR(M)F. Please refer to the footnotes of the table under paragraph 4.2 of this Circular for further details on ASM's Unitholding interests.
- (9) ASMHL is the beneficial holder of more than 50% of the voting shares of ASM. Pursuant to the Companies Act, ASMHL is deemed to be interested in the 51,981,536 Units which ASM is deemed to be interested in. See Note 8 above for further details on ASM's Unitholding interests.
- (10) Yeh V-Nee is the beneficial holder of more than 20% of the issue share capital of ASMHL. Pursuant to the Companies Act, Yeh V-Nee is deemed to be interested in the 51,981,536 Units which ASMHL is deemed interested in. See Note 9 above for further details on ASMHL's Unitholding interests. Yeh V-Nee is also deemed to be interested in the 4,966,047 Units held by his nominee, HSBC (Singapore) Nominees Pte. Ltd.
- (11) Kin Chan is the beneficial holder of more than 20% of the issued share capital of ASMHL. Pursuant to the Companies Act, Kin Chan is deemed to be interested in the 51,981,536 Units which ASMHL is deemed to be interested in. See Note 9 above for further details on ASMHL's Unitholding interests. Kin Chan is also deemed interested in the 745,695 Units held by his spouse, Seow Shu Ping, Jo-Ann.
- (12) Based on its latest notification filed with the Manager, Cube Asia Fund ("CAF"), Cube Asia Real Estate Securities Fund ("CARE") and Mr. Francois Buclez have acquired an aggregate of 27.18 million Units, through a series of purchases via their nominees, namely Fortis Global Custody Services N.V., Citibank Nominees Singapore Pte Ltd., and HSBC (Singapore) Nominees Pte. Ltd. respectively. As Cube Capital controls CAF and CARE, it is therefore deemed to be interested in the Units acquired by CAF and CARE. Mr. Francois Buclez is a director of CCL. CCL is therefore also deemed to be interested in the Units indirectly held by Mr. Francois Buclez.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Pan Pacific Singapore Hotel, Meeting Room Ocean 4, Level 2, 7 Raffles Boulevard Marina Square, Singapore 039595 on 20 April 2009 at 10.30am, for the purpose of considering, and if thought fit, passing with or without any modifications, the extraordinary resolution and the ordinary resolutions set out in the Notice of EGM on pages 70 to 72 of this Circular.

As stipulated under section 130D of the Companies Act, a Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register not less than 48 hours before the time appointed for the EGM.

9. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to the Entitled Unitholders subject to, *inter alia*, the approval of Unitholders for the Rights cum Warrants Issue being obtained at the EGM. Acceptances and/or applications under the Rights cum Warrants Issue can only be made on the following (all of which will form part of the Offer Information Statement):

- (a) the ARE, in the case of Entitled Depositors; and
- (b) the ARS, in the case of persons purchasing provisional allotments of Rights Units with Warrants through the book-entry (scripless) settlement system, whose registered addresses with CDP are in Singapore.

10. ABSTENTION FROM VOTING

Pursuant to the SIC conditions for the Whitewash Resolution as stated in paragraph 5.2 of this Circular, the ASML Group, parties acting in concert with them and parties not independent of them (including the Undertaking Unitholders and Undertaking Placees) will abstain from voting on the Whitewash Resolution.

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

All Undertaking Unitholders will abstain from voting on the Rights cum Warrants Issue and the Commitment Fee and Introduction Fee.

To the extent that the Undertaking Placees hold Units, they will abstain from voting on the Rights cum Warrants Issue, the Whitewash Resolution, the Commitment Fee and Introduction Fee and the Placement Exercise.

11. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Manager's office at 72A Duxton Road, Singapore 089531, not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Unitholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

12. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any legal or arbitration proceedings which are pending or known to be contemplated, the outcome of which, in the opinion of the Directors, may have or have had in the last 12 months preceding the date of this Circular, a material and adverse effect on the financial position of the Group taken as a whole.

13. IFA'S ADVICE IN RESPECT OF THE WHITEWASH RESOLUTION

Pursuant to the conditions imposed by the SIC, the Manager has on behalf of Saizen REIT appointed the IFA to advise the Whitewash Independent Directors on the Whitewash Resolution. A copy of the letter from the IFA to the Whitewash Independent Directors, containing their advice in full, is set out in the Appendix to this Circular, and your attention is drawn to it. After taking into consideration the factors set out in the IFA's letter enclosed in the Appendix to this Circular, and when considered in the context of the Rights cum Warrants Issue, the IFA has advised the Whitewash Independent Directors to recommend that Independent Unitholders vote in favour of the Whitewash Resolution.

14. BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining the Unitholders' entitlements under the Rights cum Warrants Issue will be announced at a later date.

15. INTEREST OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Save for the Irrevocable Undertakings (including the payment of the Commitment Fee and Introduction Fee thereof) as disclosed in paragraphs 4 and 15 of this Circular, Arnold Ip Tin Chee, Raymond Wong Kin Jeon and Chang Sean Pey, who are Directors and part of the Undertaking Unitholders and ASM (as investment manager of ASMHRF and ASMAR(M)F) who is a Substantial Unitholder and part of the Undertaking Unitholders, none of the Directors (other than in his capacity as Director or Unitholder) or Substantial Unitholders has any interest, direct or indirect, in the Rights cum Warrants Issue and the Commitment Fee and Introduction Fee.

Save as disclosed in paragraph 4.2 above and ASM who shall be receiving an Introduction Fee for introducing and assisting in forming the group of Undertaking Unitholders and Undertaking Placees, none of the Directors (other than in his capacity as Director or Unitholder) or Substantial Unitholders has any connection with the Undertaking Placees, and none of the Directors (other than in his capacity as Director or Unitholder) or Substantial Unitholders or their respective associates has any interest, direct or indirect in the Placement Exercise.

Save as disclosed in paragraph 4 of this Circular, none of the Directors (other than in his capacity as Director or Unitholder) or Substantial Unitholders has any interest, direct or indirect in the Whitewash Resolution.

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

16. DIRECTORS' RECOMMENDATION

After having considered the rationale for the Rights cum Warrants Issue, the Placement Exercise and the Commitment Fee and Introduction Fee, the Directors (with the exception of Arnold Ip Tin Chee, Chang Sean Pey and Raymond Wong Kin Jeon, who shall not make any recommendations on the Rights cum Warrants Issue, the Placement Exercise, the proposed alterations to the Trust Deed and the Commitment Fee and Introduction Fee due to their being also part of the Undertaking Unitholders) are of the opinion that the Rights cum Warrants Issue, the Placement Exercise, the proposed alterations to the Trust Deed (which are facilitative in nature) and the Commitment Fee and Introduction Fee are in the best interests of Saizen REIT and accordingly, recommend that Unitholders vote in favour of the extraordinary resolution and ordinary resolutions relating thereto at the EGM.

In addition, the Whitewash Independent Directors have considered and concur with the advice of the IFA in relation to the Whitewash Resolution. They also believe that the Whitewash Resolution is in the interests of Saizen REIT. Accordingly, they recommend that the Independent Unitholders vote in favour of Ordinary Resolution 3 relating to the Whitewash Resolution.

Unitholders are advised to read this Circular in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have collectively and individually reviewed and approved the issue of this Circular, and accept full responsibility for the accuracy of the information contained in this Circular. The Directors also confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are, as at the date of this Circular, fair and accurate in all material respects and that there are no other material facts the omission of which would make any statement in this Circular misleading. Where any information contained in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

18. CONSENT

Each of the IFA and the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, where applicable, the IFA Letter and the Desktop Valuation and all references thereto, in the form and context in which they are included in this Circular.

19. MATERIAL CONTRACTS

Save as set out below, Saizen REIT and its subsidiaries have not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the Latest Practicable Date.

- (i) Letters of Undertaking dated 11 December 2008, given by the Undertaking Unitholders (with the exception of Pioneer Industries (Holdings) Limited) and the Undertaking Placees to the Manager and the Trustee in relation to the Rights cum Warrants Issue and the Irrevocable Undertakings;
- (ii) Letter of Undertaking dated 31 December 2008, given by Pioneer Industries (Holdings) Limited to the Manager and the Trustee in relation to the Rights cum Warrants Issue and the Irrevocable Undertakings;

LETTER TO UNITHOLDERS FROM THE BOARD OF THE MANAGER

- (iii) seven TK Interest Transfer Agreements each dated 28 September 2007; and
- (iv) the right of first refusal to invest agreement dated 4 October 2007 entered into between the Trustee and GK Chosei, pursuant to which GK Chosei granted to the Trustee, a right of first refusal to invest in certain properties.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Manager at 72A Duxton Road, Singapore 089531, during normal business hours from the date of this Circular up to and including the date falling three (3) months after the date of this Circular:

- (i) the Trust Deed;
- (ii) the annual reports of Saizen REIT for FY2008;
- (iii) the Irrevocable Undertakings referred to in this Circular;
- (iv) the IFA Letter in respect of the Whitewash Resolution;
- (v) the written consent of the Independent Valuers;
- (vi) the written consent of the IFA; and
- (vii) the announcement of the quarterly financial results of Saizen REIT for the period ended 31 December 2008.

Yours faithfully

For and on behalf of the Board of Directors of
Japan Residential Assets Manager Limited
(as Manager of Saizen Real Estate Investment Trust)

Chang Sean Pey (Mr)
Chief Executive Officer

APPENDIX A – THE ALTERATIONS TO THE TRUST DEED

The proposed alterations to the Trust Deed and the rationale for such alterations are set out below. For ease of reference, the proposed new inclusions and amendments are indicated as underlined, struck out and in bold. Where appropriate, the full text of the Trust Deed where the alterations are proposed to be included have also been reproduced.

1. Clause 5 – Issue of Units

Rationale: The new Clause 5.1.5 is to allow the Manager to issue convertible securities, for the purposes of facilitating the implementation of the proposed Rights cum Warrants Issue.

“5.1 General

5.1.1 Subject to the provisions of this Deed, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) PROVIDED THAT, in connection with the initial Listing of the Trust on the SGX-ST, the Manager shall not be bound to accept an application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager). No fractions of a Unit shall be issued (whether on an initial issue of Units, a rights issue, an issue of new Units otherwise than by way of a rights issue, any issue pursuant to a reinvestment of distribution arrangement or any issue of Units pursuant to a conversion of any Securities) and in issuing such number of Units as corresponding to the relevant subscription proceeds (if any), the Manager shall, in respect of each Holder’s entitlement to Units, truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager, with the previous consent of the Trustee, otherwise prescribes. Issues of Units for cash shall be made at a price hereinafter prescribed.

5.1.2 The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.

5.1.3 The Trust may be listed on the SGX-ST pursuant to Clause 9 and, if so Listed, the Units shall be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.8.

5.1.4 If the Trust is listed on the SGX-ST or any other Recognised Stock Exchange, then the Manager shall not thereafter issue any further Units in numbers exceeding the limit, if any, prescribed at the time in the Listing Rules or the listing rules of the relevant Recognised Stock Exchange, except where such Units are issued in such circumstances as permitted by the Listing Rules or the listing rules of the relevant Recognised Stock Exchange or otherwise as required or permitted by the SGX-ST or the relevant Recognised Stock Exchange.

5.1.5 The Manager may issue convertible securities or other instruments for consideration or for no consideration, which may be convertible into Units (including but not limited to options and warrants) on such other terms of offer and issue as the Manager determines subject to any applicable laws, regulations and the Listing Rules, relating to the issue of convertible securities or other instruments which may be convertible into Units.”

2. Clause 11.13 – Capitalisation of Undistributed Distribution Amount

Rationale: The amendments to Clause 11.13 and the new Clauses 11.13.1 and 11.13.2 are to allow the Manager the option to capitalise and issue bonus Units to Unitholders, which would in turn provide flexibility for the Manager to, in the interim, make distributions in the form of bonus Units credited as fully paid, instead of in the form of cash.

APPENDIX A – THE ALTERATIONS TO THE TRUST DEED

“11.13 Capitalisation of Undistributed Distribution Amount

~~Prior to the Listing Date, The Manager, with the agreement of all Holders, subject to compliance with the Code, the Listing Rules and all applicable rules and regulations,~~ may elect not to distribute in accordance with Clause 11.4 and in lieu of such distribution capitalise the undistributed Distribution Amount, in proportion to the Holders’ then holdings of Units.

11.13.1 The Manager may do all acts and things considered necessary or expedient to give effect to any such capitalisation under this Clause 11.13, with full power to the Manager to make such provisions as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions by payment in cash for the case of Units becoming distributable in fractions or whereby fractional entitlements are disregarded or the benefit thereof accrues to the Trust rather than to the Holders concerned).

11.13.2 In addition and without prejudice to the powers provided for by this Clause 11.13, the Manager shall have power to issue Units for which no consideration is payable or to capitalise any undivided profits or other moneys of the Trust not required for the payment or provision of any dividend on any Units entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued Units on terms that such Units shall, upon issue, be held by or for the benefit of participants of any Unit incentive or option scheme or plan implemented by the Manager in accordance with all relevant Listing Rules and regulations in such manner and on such terms as the Manager shall think fit.”

APPENDIX B – LETTER FROM IFA TO THE WHITEWASH INDEPENDENT DIRECTORS

1 April 2009

The Whitewash Independent Directors
Japan Residential Assets Manager Limited
(as Manager of Saizen Real Estate Investment Trust)
72A Duxton Road
Singapore 089531

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S ADVICE IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION

For the purpose of this IFA Letter (as defined below), capitalised terms not otherwise defined shall have the same meaning given to them in the circular dated 1 April 2009 to the Unitholders (the "Circular")

1 INTRODUCTION

The proposed renounceable non-underwritten Rights cum Warrants Issue

On 31 December 2008, the board of directors (the "**Directors**") of Japan Residential Assets Manager Limited (the manager of Saizen Real Estate Investment Trust ("**Saizen REIT**")) (the "**Manager**"), announced that it was proposing to undertake a renounceable non-underwritten rights issue of up to 497,185,362 new units of Saizen REIT (the "**Rights Units**") at an issue price of S\$0.09 each (the "**Issue Price**"), on the basis of 11 Rights Units for every 10 existing units in Saizen REIT (the "**Units**") held by unitholders of Saizen REIT (the "**Unitholders**" and each, a "**Unitholder**") as at the books closure date (the "**Books Closure Date**"). Concurrently, up to 497,185,362 free detachable and transferable warrants (the "**Warrants**") will be issued on the basis of one Warrant for every Rights Unit subscribed with fractional entitlements to be disregarded, each Warrant carrying the right to subscribe for one new unit in Saizen REIT (the "**New Unit**") at an exercise price of S\$0.09 for each New Unit (the "**Exercise Price**"), such Warrant to expire on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants (the "**Rights cum Warrants Issue**").

Irrevocable undertakings

Given the difficulties in securing underwriting commitments from financial institutions, the Rights cum Warrants Issue will proceed on a non-underwritten basis. To ensure its success, the Manager with the assistance of Argyle Street Management Limited ("**ASM**") has sourced for and secured undertakings from various parties to subscribe for Rights Units with Warrants and Available Rights Units (as defined in the Circular) in the manner as set out in paragraph 4 of the Circular.

The Manager has obtained irrevocable undertakings from the Undertaking Unitholders (as defined in the Circular) who, in their sole capacity as Unitholders, are prepared to subscribe for more than their respective direct or indirect entitlements to the Rights cum Warrants Issue and have therefore further irrevocably undertaken to make or give instructions to be made, excess applications for the Available Rights Units.

In a separate exercise to the above, to ensure that sufficient funds are raised for Saizen REIT's purposes, the Manager has recommended placing out Available Rights Units to non-Unitholders, in the event that insufficient funds are raised solely from the Rights cum Warrants Issue.

The Manager has therefore obtained irrevocable undertakings from Amherst Holdings Limited and Equal Chances Limited (together, the "**Undertaking Placees**") to, *inter alia*, enter into respective placement agreements (the "**Placement Agreements**") with the Manager as soon as the Approval in-Principle is granted for the Rights cum Warrants Issue, and to subscribe for such number of Available Rights Units (as the Manager may require) and up to their respective Maximum Number of Available Rights Units as set out in paragraph 4.2 of the Circular.

APPENDIX B – LETTER FROM IFA TO THE WHITEWASH INDEPENDENT DIRECTORS

Please refer to paragraph 4 of the Circular for full details on the irrevocable undertakings by the Undertaking Unitholders and Undertaking Placees.

Whitewash resolution

The Manager intends to seek approval from Unitholders for the proposed Rights cum Warrants Issue as well as a whitewash resolution (the “**Whitewash Resolution**”) pursuant to the Singapore Code on Take-overs and Mergers (the “**Code**”).

This letter (the “**IFA Letter**”) sets out, *inter alia*, our opinion, from a financial point of view, on whether the proposed Whitewash Resolution is on normal commercial terms and is not prejudicial to the interests of Saizen REIT and its Independent Unitholders. It will form part of the Circular providing, *inter alia*, the details of the Rights cum Warrants Issue, and unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

2 TERMS OF REFERENCE

Kim Eng Corporate Finance Pte. Ltd. (“**Kim Eng Corporate Finance**”) has been appointed to advise the Whitewash Independent Directors (as defined in the Circular) on the proposed Whitewash Resolution. We have confined our evaluation on the bases set out therein to the financial terms of the proposed Whitewash Resolution. We were neither a party to the negotiations in relation to the Rights cum Warrants Issue, nor were we involved in the deliberations leading up to the decision by the Manager to enter into the Rights cum Warrants Issue.

Our terms of reference do not require us to evaluate or comment on the rationale, legal and commercial risks and/or merits (if any) of the Rights cum Warrants Issue, or on the future prospects of Saizen REIT and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and management of the Manager although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this letter.

We were also not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Rights cum Warrants Issue. In this regard, we are not addressing the relative merits of the Rights cum Warrants Issue as compared to any alternative transaction previously considered by the Manager or which otherwise may have been available to Saizen REIT currently or in the future, and such comparison and consideration remain the responsibility of the Directors.

In the course of our evaluation, we have held discussion with the Directors of the Manager and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors of the Manager and Saizen REIT’s professional adviser(s) including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Manager in the Circular in respect of the Rights cum Warrants Issue are fair and accurate in all material aspects. The Directors confirmed to us that, to the best of their knowledge and belief,

APPENDIX B – LETTER FROM IFA TO THE WHITEWASH INDEPENDENT DIRECTORS

there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Rights cum Warrants Issue to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgment as we have deemed necessary and have found no reason to doubt the accuracy of the information.

In addition, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, property, plant and equipment) of Saizen REIT and we have not been furnished with any such evaluation or appraisal.

Our recommendations are based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent development after the Latest Practicable Date that may affect our recommendations contained therein. Unitholders should further take note of any announcements relevant to their consideration of the Rights cum Warrants Issue, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. **We recommend that any Unitholder who may require specific advice in relation to his or their investment objective(s) or portfolio(s) should consult his or their legal, financial, tax or other professional advisers immediately.**

Saizen REIT has been advised by its own professional adviser(s) in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use of the Whitewash Independent Directors in connection with their consideration of the proposed Whitewash Resolution and their advice and recommendations to the Independent Unitholders in respect thereof. The recommendations made to the Independent Unitholders in relation to the proposed Whitewash Resolution remain the responsibility of the Whitewash Independent Directors.

Other than for this intended purpose, this IFA Letter should not be used for any other purposes and/or by other persons without the prior consent of Kim Eng Corporate Finance.

Our recommendations in relation to the proposed Whitewash Resolution should be considered in the context of the entirety of our advice as set out in this IFA Letter.

3 THE PROPOSED WHITEWASH RESOLUTION

Pursuant to the Rights cum Warrants Issue and in the Maximum Subscription Scenario (as detailed in paragraph 5.2 of the Circular), the aggregate Unitholding of the ASML Group (as defined in the Circular) and parties acting in concert with them will increase to more than 30%. In this event, the ASML Group and parties acting in concert with them will then be required under the Code to make a mandatory general offer (“**Mandatory Offer**”) for the Units not already owned by them pursuant to Rule 14.1(a) of the Code, unless the said obligation is waived by the SIC (as defined in the Circular).

APPENDIX B – LETTER FROM IFA TO THE WHITEWASH INDEPENDENT DIRECTORS

For the avoidance of doubt, the other Undertaking Unitholders (not including the ASML Group and parties acting in concert with them) will not be subjected to Rule 14 of the Code to make a Mandatory Offer for the remaining Units not already owned or controlled by them because their aggregate Unitholding will not exceed 30% of the issued Units in Saizen REIT as a result of them subscribing for the Rights Units with Warrants and the excess Rights Units with Warrants, and/or exercising, from time to time, their right to subscribe for new Units under their Warrants entitlements in respect of the Rights Units acquired pursuant to the Irrevocable Undertakings (as defined in the Circular) and Undertaken Excess Applications (as defined in paragraph 4.1 of the Circular).

On 13 February 2009, the SIC granted a waiver of the requirement by the ASML Group to make a Mandatory Offer for the Units under the Code as a result of the ASML Group subscribing directly and/or through one or more of its wholly-owned subsidiaries for excess Rights Units under the Rights cum Warrants Issue, subject to, *inter alia*, the approval by Independent Unitholders at a general meeting for the Whitewash Resolution. Please refer to paragraph 5.3 of the Circular for the full details on the conditions of the Whitewash Waiver (as defined in the Circular).

Independent Unitholders should note that by voting in favour of the Whitewash Resolution, they are waiving their rights to receive a mandatory general offer for their Units under Rule 14 of the Code from the ASML Group and parties acting in concert with them, at the highest price paid by the ASML Group and parties acting in concert with them for the Units in the past six (6) months preceding the commencement of the Rights cum Warrants Issue, which the ASML Group and parties acting in concert with them would otherwise have been obliged to make for the Units.

Independent Unitholders should further note that the ASML Group and parties acting in concert with them may choose to subscribe for any number of excess Rights Units under the Rights cum Warrants Issue. In a situation whereby for any reason whatsoever, any or all of the Undertaking Unitholders and/or the Undertaking Placees (other than ASML Group and parties acting in concert with them) do not subscribe for and purchase their respective entitlements and make excess applications in accordance with their Irrevocable Undertakings, there would be excess Rights Units under the Rights cum Warrants Issue.

In the event where any of the Undertaking Unitholders and/or the Undertaking Placees (other than the ASML Group and parties acting in concert with them) do not fulfill their obligations under the Irrevocable Undertakings, and the ASML Group and parties acting in concert with them accept their provisional allocations and subscribe for all excess Rights Units, under the Rights cum Warrants Issue, as well as exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, the Rights cum Warrants Issue could therefore result in the ASML Group and its concert parties holding Units carrying over 49.0% of the voting rights of Saizen REIT based on its enlarged issued Unitholdings.

In the event where all of the Undertaking Unitholders and Undertaking Placees (other than ASML Group and parties acting in concert with them) do not fulfill their obligations under the Irrevocable Undertakings, and the other public Unitholders do not subscribe for and purchase their respective entitlements and make excess applications, and the ASML Group and parties acting in concert with them accept their provisional allocations and subscribe for all excess Rights Units under the Rights cum Warrants Issue, as well as exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, the Rights cum Warrants Issue could result in the ASML Group and its concert parties holding Units carrying over 72% of the voting rights of Saizen REIT based on its enlarged issued Unitholdings.

The ASML Group and its concert parties would be free in the above events to thereafter acquire further Units without incurring any obligation under Rule 14 of the Code to make a mandatory general offer.

Independent Unitholders should note that by voting in favour of the Whitewash Resolution, they could also be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer for their Units in view of the potential dilution effect of the Warrants.

Unitholders are advised to refer to paragraph 5 of the Circular for the full details on the proposed Whitewash Resolution.

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4 EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the proposed Whitewash Resolution, as at the Latest Practicable Date, we have considered the following factors:

- (1) Purpose of the Rights cum Warrants Issue and use of proceeds;
- (2) Pricing of the Rights Units with Warrants;
- (3) Rights cum Warrants Issue offered on a *pro-rata* basis;
- (4) Dilution impact and potential third-party takeover offers;
- (5) Whitewash Resolution being a condition for the Rights cum Warrants Issue;
- (6) Financial impact of the Rights cum Warrants Issue; and
- (7) Other considerations.

We wish to highlight that the information used in our financial assessment has been extracted, where available and/or applicable, from the financial statements and/or announcements of Saizen REIT and the selected listed companies, Bloomberg, SGX-ST's website and/or the Circular. We make no representations or warranties, express or implied, as to the accuracy or completeness of such information.

4.1 *Purpose of the Rights cum Warrants Issue and use of proceeds*

The full text of the Manager's purpose of the Rights cum Warrants Issue and use of proceeds is set out under paragraph 3.6 of the Circular.

4.2 *Pricing of the Rights Units with Warrants*

The Issue Price of S\$0.09 per Rights Unit with Warrants and the principal terms of the Rights Unit are set out in greater detail in paragraph 3.2 of the Circular. The Issue Price of S\$0.09 represents (i) a discount of 25.0% to the closing price of S\$0.12 per Unit, being the last transacted price traded on SGX-ST on the Latest Practicable Date and (ii) a discount of approximately 15.6% to the theoretical ex-rights price ("**TERP**") of S\$0.107 per Unit.

The TERP is calculated as follows;

TERP =
$$\frac{\text{(Market capitalisation prior to the announcement date of the rights issue price + gross proceeds from the rights issue)}}{\text{(Total shares/units outstanding after the rights issue)}}$$

Accordingly, we have considered the following for our evaluation:

- Selected precedent rights issues; and
- Price performance of the Units.

Selected precedent rights issues

We have reviewed selected precedent rights issues announced by companies listed on SGX-ST during the 6-month calendar period preceding the Latest Practicable Date, where the rights issues are on a underwritten basis or where there are irrevocable undertakings provided by substantial shareholders/unitholders to take up unsubscribed rights shares/units.

For each rights issue, we have considered the premium or discount implied by the issue price to the last traded price before its respective announcement date ("**LTP**") and to its respective TERP. In the case of Saizen REIT, we have considered the principal terms of the Rights cum Warrants Issue as set out in paragraph 3 of the Circular.

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Company	Date of announcement	Terms of rights issue	Issue price of rights share (S\$)	LTP (S\$)	Discount of issue price to LTP	TERP (S\$)	Discount of issue price to TERP
Sing Holdings Limited	11-Mar-09	1 for 2	0.100	0.165	39.4%	0.143	30.2%
Chartered Semiconductor Manufacturing Ltd	09-Mar-09	27 for 10	0.070	0.250	72.0%	0.119	41.0%
Bukit Sembawang Estates Limited	14-Feb-09	1 for 1	2.300	3.800	39.5%	3.050	24.6%
CapitalMall Trust	09-Feb-09	9 for 10	0.820	1.450	43.4%	1.152	28.8%
Capitaland Limited	09-Feb-09	1 for 2	1.300	2.360	44.9%	2.007	35.2%
Craft Print International Limited	19-Jan-09	1 for 2	0.050	0.065	23.1%	0.060	16.7%
Ascendas Real Estate Investment Trust ⁽¹⁾	15-Jan-09	1 for 15	1.160	1.360	14.7%	1.348	13.9%
Osim International Ltd	14-Jan-09	2 for 9	0.055	0.075	26.7%	0.071	22.9%
Jasper Investments Limited	31-Dec-08	3 for 4	0.130	0.200	35.0%	0.170	23.5%
DBS Group Holdings Ltd	22-Dec-08	1 for 2	5.420	9.850	45.0%	8.373	35.3%
Transpac Industrial Holdings Limited	12-Dec-08	1 for 3	1.000	1.050	4.8%	1.038	3.6%
Hartawan Holdings Limited	02-Dec-08	1 for 4	0.045	0.075	40.0%	0.069	34.8%
Popular Holdings Limited	29-Oct-08	1 for 2	0.100	0.130	23.1%	0.120	16.7%
Medi-flex Limited	21-Oct-08	1 for 1	0.040	0.040	0.0%	0.040	0.0%
Shanghai Asia Holdings Limited	12-Sep-08	3 for 8	0.100	0.190	47.4%	0.165	39.6%
Alantac Technology Limited	01-Sep-08	3 for 10	0.055	0.070	21.4%	0.067	17.3%
					Minimum	0.0%	0.0%
					Mean	32.5%	24.0%
					Median	37.2%	24.1%
					Maximum	72.0%	41.0%
Saizen Real Estate Investment Trust	31-Dec-08	11 for 10	0.09	0.125	28.0%	0.107	15.6%

Source: Bloomberg, announcements of companies from the SGX-ST's website.

Note: The rights issue by Bukit Sembawang Estates Limited and Transpac Industrial Holdings Limited include warrants attached with the rights share. However, the above illustration does not take into account the impact of any warrants which may be attached to the respective rights issue.

Note (1): Ascendas Real Estate Investment Trust issued on a *pro-rata* basis, a non-renounceable and non-transferable preferential offering of 93,710,021 new units on the basis of one (1) new unit for every fifteen (15) existing units at the issue price of S\$1.16.

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Based on the Issue Price of S\$0.09 and the table above, we note that:

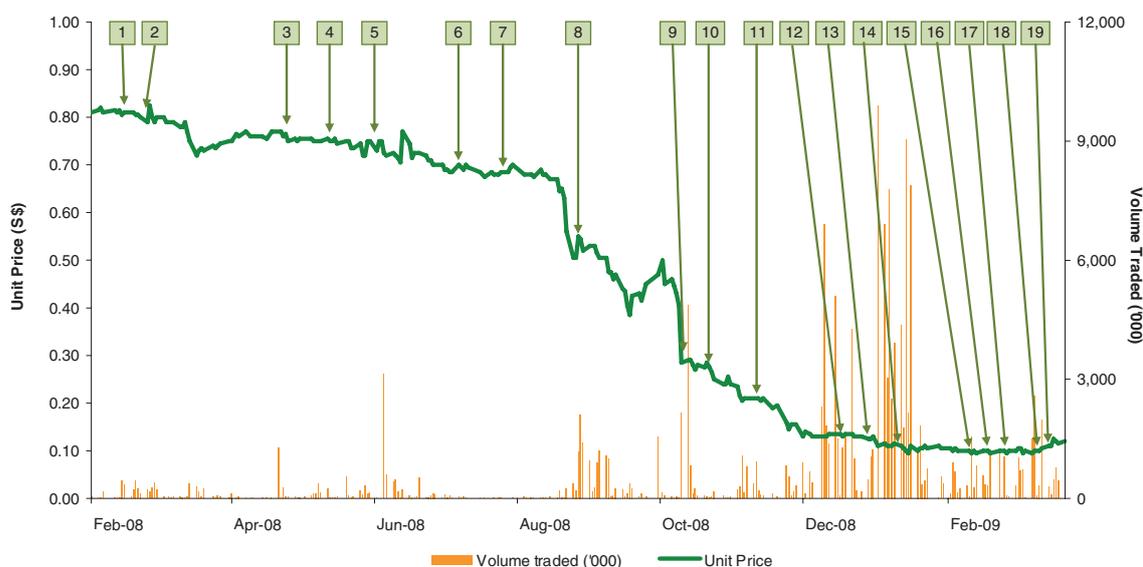
- the discount of 28.0% of the Issue Price to the LTP of S\$0.125 as of 30 December 2008, being the date of the last full trading day of the Units on the SGX-ST prior to the announcement date of the Rights cum Warrants Issue, is within the range of corresponding discounts of 0.0% and 72.0% for the selected precedent rights issues;
- the discount of 28.0% of the Issue Price to the LTP is below the median discount of 37.2% for the selected precedent rights issues;
- the discount of 15.6% of the Issue Price to the TERP is within the range of corresponding discounts of 0.0% and 41.0% for the selected precedent rights issues; and
- the discount of 15.6% of the Issue Price to the TERP is below the median of 24.1% for the selected precedent rights issues.

The Whitewash Independent Directors should note that the circumstances of each company is unique and that these companies might not be identical to Saizen REIT in terms of business activities, product lines, size of operations, market capitalisation, asset base, risk profile, geographical spread of activities, client base, accounting policies, track record, future prospects and other relevant criteria. The circumstances and terms of the selected precedent rights issues are different from Saizen REIT's Rights cum Warrants Issue, and are largely dependent on the market sentiments prevailing at the time of such issues. Further, the list of selected precedent rights issues is by no means exhaustive and information relating to the said companies was compiled from publicly available information.

Accordingly, the Whitewash Independent Directors should note that the above is for illustrative purposes and serves as a guide only.

Price performance of the Units

We set out below a chart of the closing price of the Units for the period 1st February 2008 to and including the Latest Practicable Date.



Source: Bloomberg, Saizen REIT's announcements from the SGX-ST's website

Notes:

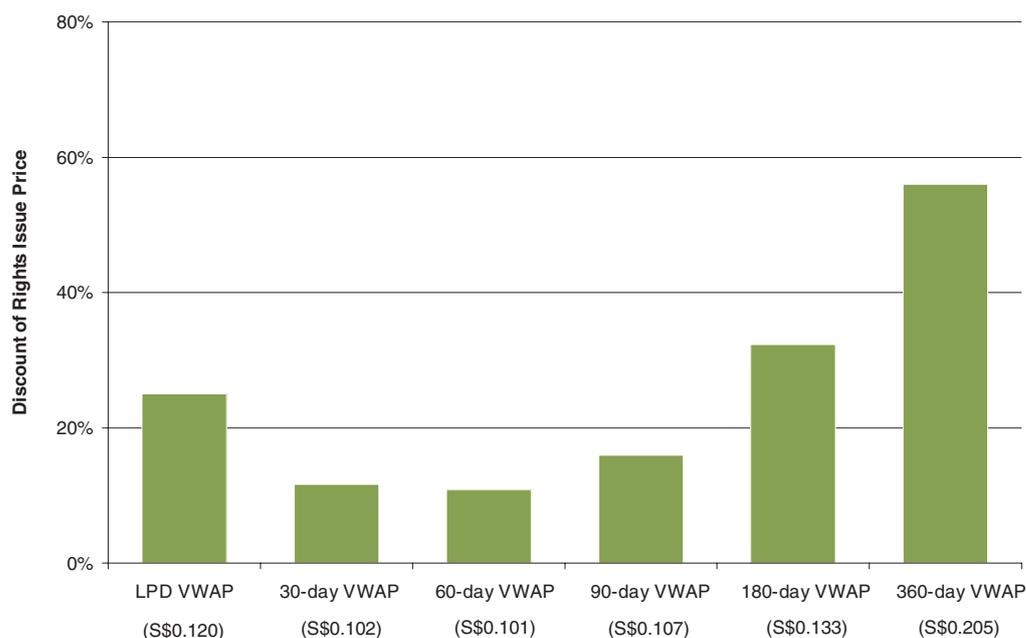
- (1) 12 Feb 08: Release of 2Q 2008 results.
- (2) 21 Feb 08: Payment of Acquisition Fee (as defined in the Trust Deed) in relation to the completion of the investments as disclosed in the announcements of Saizen REIT dated 29 November 2007 and 8 January 2008.

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- (3) 23 Apr 08: Payment of management fee by way of cash and issue of units.
- (4) 12 May 08: Release of 3Q 2008 results.
- (5) 30 May 08: Completion of investment in Quest Tower Noboricho in Hiroshima for JPY680 million and new source of financing from a Japanese financial institution.
- (6) 7 Jul 08: Payment of management fee and acquisition fee by way of cash and units.
- (7) 25 Jul 08: Earthquake in Northern Japan on 24 July 2008. Affected region covers the cities of Koriyama, Morioka and Sendai, where Saizen REIT has made investments. No material damage has been suffered by Saizen REIT's properties in the affected area.
- (8) 27 Aug 08: Release of unaudited results for FY2008 and successfully obtaining a loan amounting to JPY5.9 billion from a European bank.
- (9) 13 Oct 08: The Manager has noted the rapid and substantial decrease in the trading price of the Units and is not aware of any reasons for such a decrease other than the general price weakness of real estate securities listed in Japan.
- (10) 23 Oct 08: Release of first tranche of lock-up units pursuant to the lock-up arrangement at listing.
- (11) 13 Nov 08: Release of 1Q 2009 results.
- (12) 19 Dec 08: Release of second tranche of lock-up units pursuant to the lock-up arrangement at listing.
- (13) 31 Dec 08: Proposed renounceable non-underwritten Rights cum Warrants Issue.
- (14) 13 Jan 09: Proposed scrip dividend scheme.
- (15) 13 Feb 09: Release of 2Q 2009 results.
- (16) 23 Feb 09: Responses to queries from SGX-ST in relation to the 2Q 2009 results.
- (17) 2 Mar 09: Release of final tranche of lock-up units pursuant to the lock-up arrangement at listing.
- (18) 16 Mar 09: Announcement from the Manager that it is not proceeding with the proposed adoption of the scrip dividend scheme and an update on the Rights cum Warrants Issue.
- (19) 18 Mar 09: Appointment of Mr Harold Sun Dai Hoe as a member of the Audit Committee and the receipt of the Approval-in-Principle from SGX-ST in relation to the Rights Cum Warrants Issue.

We have considered whether current and historical Unit prices of Saizen REIT are reasonable indicators for assessing the financial value of the Units at a given point in time. Under ordinary circumstances, the market valuation of units traded on a recognised stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage and investor interest it attracts, and the general market sentiment at a given point in time.

As shown in the chart below, the Issue Price of S\$0.09 represents a discount to the volume weighted average price (“VWAP”) of the Unit on the Latest Practicable Date and over the 30-day, 60-day, 90-day, 180-day, 360-day periods up to and including the Latest Practicable Date.



Source: Bloomberg

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4.3 Rights cum Warrants Issue offered on a pro-rata basis

The Rights cum Warrants Issue is offered on a *pro-rata* basis to all Entitled Unitholders (as defined in the Circular) who will have the first right of refusal to subscribe for their provisional allocations under the Rights cum Warrants Issue based on their Unitholdings as at the Books Closure Date.

Disregarded fractional entitlements of Rights Units with Warrants will be aggregated with entitlements to the Rights Units with Warrants which are not taken up or allotted for any reason and shall be used to satisfy excess applications for Rights Units with Warrants (if any) or otherwise disposed of or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interests of Saizen REIT. In the allotment of excess Rights Units with Warrants, preference will be given to the rounding of odd lots, and Substantial Unitholders and Directors will rank last in priority. Such allotment of excess Rights Units with Warrants shall be dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT, to the extent permissible.

Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy excess applications (if any) or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Saizen REIT.

After excess applications are satisfied, the Manager may allot any remaining excess Rights Units with Warrants to any investors (not being Unitholders)(including but not limited to the Undertaking Placees) who wish to invest in Saizen REIT, if any, in such manner and on such terms and conditions as the Manager may in its absolute discretion deem fit in the best interests of Saizen REIT, provided that as between such investors, investors who are directors of the Manager will rank last in priority.

The Manager will take steps to ensure that Rule 803 of the Listing Manual on the restriction of transfer of controlling interest without prior approval of Unitholders in a general meeting is complied with in their exercise of discretion to allot and issue any excess Rights Units with Warrants.

Accordingly, we note that the Independent Unitholders will not be disadvantaged by the Rights cum Warrants Issue or the process involved in the allocation of excess Rights Units.

4.4 Dilution impact and potential third-party takeover offers

As at the Latest Practicable Date, the ASML Group and parties acting in concert with them hold an aggregate indirect interest of approximately 12.8% in Saizen REIT.

The Rights cum Warrants Issue neither affects the percentage aggregate Unitholdings of the ASML Group nor result in any Unitholding dilution of the Independent Unitholders if all Unitholders accept their provisional allocations under the Rights Issue in full. A dilution impact will only occur for the Independent Unitholders that do not fully subscribe for their provisional allocations under the Rights Issue.

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Assuming that (i) only the Undertaking Unitholders (including the ASML Group and parties acting in concert with them) subscribe in full for their respective Rights cum Warrants Issue entitlements, (ii) none of the other Unitholders subscribe for their respective Rights cum Warrants Issue entitlements, and (iii) each of the Undertaking Unitholders (and whereby the Undertaking Placees subscribe for Available Rights Units in the manner as stipulated in paragraph 4.2 of the Circular) subscribe for their respective excess applications under the Undertaken Excess Applications (the “**Maximum Subscription Scenario**”), the Unitholdings of the ASML Group and parties acting in concert with them will increase in the following manner:

- the Unitholding interests of the ASML Group and parties acting in concert with them will increase from an aggregate of approximately 12.8% to approximately 33.9%, on the basis that the ASML Group and parties acting in concert with them and the remaining Undertaking Parties (as defined in the Circular) exercise all their rights to subscribe for Rights Units pursuant to all their Rights cum Warrants Issue entitlements and Undertaken Excess Applications; and
- the Unitholding interests of the ASML Group and parties acting in concert with them will increase from an aggregate of approximately 12.8% to approximately 48.2%, on the basis that the event as contemplated in the above paragraph has occurred and thereafter, only the ASML Group and parties acting in concert with them exercise in full their respective rights to subscribe for New Units pursuant to the exercise of their respective Warrants, and none of the other Undertaking Parties subscribe for New Units through the exercise of their respective Warrants.

There is no certainty that the ASML Group and parties acting in concert with them would be required to make a Mandatory Offer for the remaining Units not held by the ASML Group and parties acting in concert with them pursuant to Rule 14 of the Code, upon taking up the Rights Units comprising its provisional allocation as well as applying for excess Rights Units pursuant to the Irrevocable Undertakings and Undertaken Excess Applications, as the percentage increase in the Unitholdings of the ASML Group and parties acting in concert with them after the Rights Issue and the exercise of Warrants would depend on the subscription rates of the Rights Units by the Independent Unitholders. Assuming that all Unitholders accept their provisional allocations under the Rights Issue in full, the Unitholdings of the ASML Group and parties acting in concert with them after the close of the Rights Issue and upon the acceptance of all of its provisional allocations under the Rights Issue and the exercise of the Warrants will remain unchanged at approximately 12.8%.

Unitholders would not be precluded from considering any third party offer by voting for the Whitewash Resolution. However, in the event that the Whitewash Resolution is approved by a majority of the Independent Unitholders, the ASML Group and parties acting in concert with them may increase their aggregated Unitholdings to a maximum of 48.2% which might result in Saizen REIT being a relatively less favourable target for third party offers, assuming that it is the intention of the offerors to acquire a significant interest or control in Saizen REIT, should the ASML Group and parties acting in concert with them intend to retain the 48.2% stake in Saizen REIT.

4.5 Whitewash Resolution being a condition for the Rights cum Warrants Issue

We note that the Rights cum Warrants Issue is conditional upon the passing of the Whitewash Resolution. Unitholders should note that in the event that Ordinary Resolution 3 (Approval for the Whitewash Resolution), Ordinary Resolution 2 and/or Ordinary Resolution 4 are not approved by the Independent Unitholders, the Manager will not be able to proceed with the Rights cum Warrants Issue. As a result, the use of proceeds from the Rights cum Warrants Issue as detailed in paragraph 3.6 of the Circular will not materialise.

4.6 Financial impact of the Rights cum Warrants Issue

The financial impact of the Rights cum Warrants Issue is set out under paragraph 3.8 of the Circular.

4.7 Other considerations

Confirmation of sufficient financial resources

The Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees have entered into escrow arrangements with the Manager and The Hongkong and Shanghai Banking Corporation Limited (the “**Escrow Agent**”), pursuant to which the Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees have deposited the required subscription amounts to enable them to subscribe for the portion of the Rights Units with Warrants that they have undertaken to subscribe under the Rights cum Warrants Issue and pursuant to the Letters of Undertaking, into escrow accounts maintained with the Escrow Agent. The costs of these escrow arrangements (the “**Escrow Costs**”) shall be borne by Saizen REIT.

Pursuant to the escrow arrangements as described above, the Manager has received letters from the Escrow Agent confirming that the Undertaking Unitholders (with the exception of ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee) and Undertaking Placees respectively have deposited with the Escrow Agent pursuant to the escrow arrangements the required subscription amounts in relation to the portion of the Rights Units with Warrants that they have respectively undertaken to subscribe under the Rights cum Warrants Issue and pursuant to the respective Letters of Undertaking.

ASM, HC Capital Limited and Yeh V-Nee

The Manager has received letters from independent third party financial institutions confirming that ASM as the investment manager of ASMHRF and ASMAR(M)F, HC Capital Limited and Yeh V-Nee have the required subscription amount to subscribe for the portion of the Rights Units with Warrants that they have undertaken to subscribe under the Letters of Undertaking in relation to the Rights cum Warrants Issue.

5. CONCLUSION

In arriving at our recommendation in respect of the proposed Whitewash Resolution, we have considered, *inter alia*, the following factors summarised below which we consider to be pertinent in our assessment of the proposed Whitewash Resolution. The factors set out therein have been more fully explained in the preceding sections of this IFA Letter and should therefore be considered in the context of the entirety of this IFA Letter and the Circular.

- (a) Purpose of the Rights cum Warrants Issue and use of proceeds;
- (b) Pricing of the Rights Units with Warrants;
 - the discount of 28.0% of the Issue Price to LTP is within the range of corresponding discounts of 0.0% and 72.0% for the selected precedent rights issues;
 - the discount of 28.0% of the Issue Price to LTP is below the median discount of 37.2% for the selected precedent rights issues;
 - the discount of 15.6% of the Issue Price to the TERP is within the range of corresponding discounts of 0.0% and 41.0% for the selected precedent rights issues; and
 - the discount of 15.6% of the Issue Price to the TERP is below the median of 24.1% for the selected precedent rights issues.

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- (c) Rights cum Warrants Issue offered on a *pro-rata* basis;
- The Rights cum Warrants Issue is offered on a *pro-rata* basis to all Entitled Unitholders who will have the first right of refusal to subscribe to their provisional allocations under the Rights cum Warrants Issue based on their Unitholdings as at the Books Closure Date.
- (d) Dilution impact and potential third-party takeover offers;
- A dilution impact will only occur for the Independent Unitholders that do not fully subscribe for their provisional allocations under the Rights cum Warrants Issue; and
 - The ASML Group and parties acting in concert with them may increase their aggregated Unitholdings to a maximum of 48.2% which might result in Saizen REIT being a relatively less favourable target for third party offers.
- (e) Whitewash Resolution being a condition for the Rights cum Warrants Issue;
- (f) Financial impact of the Rights cum Warrants Issue; and
- (g) Other considerations.

Based on the analysis undertaken by us and subject to the qualifications and assumptions made in this IFA Letter, we are of the opinion that, as at the Latest Practicable Date, from a financial point of view, the proposed Whitewash Resolution when considered in the context of the Rights cum Warrants Issue, is on normal commercial terms and is not prejudicial to the interests of Saizen REIT and the Independent Unitholders.

Accordingly, we like to advise the Whitewash Independent Directors to recommend to the Independent Unitholders to vote in favour of the proposed Whitewash Resolution.

Our recommendations are based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date.

Our advice is addressed to the Whitewash Independent Directors for their benefit, in connection with and for the purpose of their consideration of the proposed Whitewash Resolution. Their recommendations to the Independent Unitholders shall remain the sole responsibility of the Whitewash Independent Directors. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither Saizen REIT, the Manager nor the Directors may reproduce, disseminate or quote this IFA Letter or any part thereof for any other purpose at any time and in any manner without our prior written consent in each specific case. Our advice is governed by and construed in accordance with the laws in Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Kim Eng Corporate Finance Pte. Ltd.

Len Wee
Co-Head

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(\$)	(JPY)	(\$)
YK JOF						
1	Sapporo	Three Tower	960,000,000	15,311,005	849,000,000	13,540,670
2	Sapporo	Luna Heights	257,000,000	4,098,884	239,000,000	3,811,802
3	Sapporo	Matsui 53	191,000,000	3,046,252	169,000,000	2,695,375
4	Sapporo	Plaza Nakajima Park	340,000,000	5,422,648	309,000,000	4,928,230
5	Sapporo	Chateau 24	561,000,000	8,947,368	525,000,000	8,373,206
6	Sapporo	Chateau Nakanoshima	250,000,000	3,987,241	229,000,000	3,652,313
			2,559,000,000	40,813,397	2,320,000,000	37,001,595
YK Kokkei						
7	Sapporo	Glance Nishimachi	427,000,000	6,810,207	397,000,000	6,331,738
8	Sapporo	Matsui 82	410,000,000	6,539,075	362,000,000	5,773,525
9	Sapporo	Urban Yamahana	131,000,000	2,089,314	118,000,000	1,881,978
10	Sapporo	Maison Towa	199,000,000	3,173,844	181,000,000	2,886,762
11	Sapporo	Misono	319,000,000	5,087,719	289,000,000	4,609,250
12	Fukuoka	Wing Befu	171,000,000	2,727,273	148,000,000	2,360,447
			1,657,000,000	26,427,432	1,495,000,000	23,843,700
YK Keizan						
13	Sapporo	Dominion Yamanote	164,000,000	2,615,630	156,000,000	2,488,038
14	Sapporo	Treasure 15	173,000,000	2,759,171	161,000,000	2,567,783
15	Sapporo	Infinity Higashi Sapporo	226,000,000	3,604,466	207,000,000	3,301,435
16	Fukuoka	Arati Hakata South	413,000,000	6,586,922	382,000,000	6,092,504
17	Sapporo	First Kotake Building	996,000,000	15,885,167	902,000,000	14,385,965
18	Sapporo	Park Crystal	269,000,000	4,290,271	253,000,000	4,035,088
19	Fukuoka	Chic Takaramachi	221,000,000	3,524,721	197,000,000	3,141,946
20	Sapporo	Matsui 38	162,000,000	2,583,732	148,000,000	2,360,447
21	Sapporo	Sun City	356,000,000	5,677,831	316,000,000	5,039,872
22	Sapporo	Les Chambres	81,400,000	1,298,246	76,000,000	1,212,121
23	Sapporo	S. Heim	120,000,000	1,913,876	109,000,000	1,738,437
			3,181,400,000	50,740,032	2,907,000,000	46,363,636

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(S\$)	(JPY)	(S\$)
YK Shintoku						
1	Hakodate	Matsukaze Building	307,000,000	4,896,332	261,000,000	4,162,679
2	Fukuoka	Johnan Building III	406,000,000	6,475,279	336,000,000	5,358,852
3	Fukuoka	Gold Mansion Nakao	168,000,000	2,679,426	139,000,000	2,216,906
4	Sapporo	Kohatsu 88	57,400,000	915,470	54,000,000	861,244
5	Sapporo	Lumiere et vent	58,500,000	933,014	54,000,000	861,244
6	Hiroshima	Residence II Yasuda	108,000,000	1,722,488	101,000,000	1,610,845
7	Hiroshima	Sun Park Yokokawa	75,400,000	1,202,552	67,000,000	1,068,581
8	Fukuoka	Central Court Tenjin Higashi	189,000,000	3,014,354	162,000,000	2,583,732
9	Hakodate	Legions Yunokawa	130,000,000	2,073,365	117,000,000	1,866,029
10	Sendai	Aisho Plaza Hachiman	229,000,000	3,652,313	200,000,000	3,189,793
11	Sendai	Exceed Tsuchitoui	112,000,000	1,786,284	93,000,000	1,483,254
12	Sendai	Sun Hills Asahigaoka	68,000,000	1,084,530	60,000,000	956,938
13	Sendai	Sun Port 6	176,000,000	2,807,018	159,000,000	2,535,885
14	Sapporo	Estoilie S12	219,000,000	3,492,823	198,000,000	3,157,895
15	Sendai	Sun Rise Kashiwagi	236,000,000	3,763,955	198,000,000	3,157,895
16	Hiroshima	Funairi Honmachi 54	211,000,000	3,365,231	191,000,000	3,046,252
17	Sapporo	Ebisu Building III	80,700,000	1,287,081	69,000,000	1,100,478
18	Sapporo	Escort South 11	55,000,000	877,193	49,000,000	781,499
19	Hakodate	Villa Kaigancho	319,000,000	5,087,719	277,000,000	4,417,863
20	Hiroshima	Alpha Shinonome	108,000,000	1,722,488	98,000,000	1,562,998
21	Hiroshima	Global Matsukawa Building	271,000,000	4,322,169	230,000,000	3,668,262
22	Sapporo	Heart Inn Hongou	74,200,000	1,183,413	67,000,000	1,068,581
23	Hakodate	Crestage Tayacho	111,000,000	1,770,335	99,000,000	1,578,947
24	Sendai	Lively Kamisugi	82,800,000	1,320,574	73,000,000	1,164,274
25	Sendai	Mansion Lilac	61,700,000	984,051	53,000,000	845,295
26	Hiroshima	Higashi Hakushima Y Building	202,000,000	3,221,691	176,000,000	2,807,018
27	Hiroshima	Kamei Five	118,000,000	1,881,978	111,000,000	1,770,335
28	Hiroshima	Kinyacho Grande	557,000,000	8,883,573	473,000,000	7,543,860
29	Hiroshima	Kinyacho Y Building	231,000,000	3,684,211	200,000,000	3,189,793
30	Hiroshima	Matoba Y Building	212,000,000	3,381,180	184,000,000	2,934,609
31	Hiroshima	Otemachi Y Building	222,000,000	3,540,670	204,000,000	3,253,589
32	Hiroshima	U.I. Building	324,000,000	5,167,464	290,000,000	4,625,199
33	Kitakyushu	KN 7 Kirigaoka	409,000,000	6,523,126	383,000,000	6,108,453
34	Kitakyushu	KN 21 Shiragane	270,000,000	4,306,220	258,000,000	4,114,833

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(\$)	(JPY)	(\$)
YK Shintoku						
35	Kitakyushu	Urban KN 2 Kumamoto	94,000,000	1,499,203	88,000,000	1,403,509
36	Sendai	Etoile Higashi Sendai	116,000,000	1,850,080	98,000,000	1,562,998
37	Kitakyushu	Shinko Kokura Kogane Sky Mansion	243,000,000	3,875,598	229,000,000	3,652,313
38	Fukuoka	Saumur Meinohama II	67,000,000	1,068,581	63,000,000	1,004,785
39	Sapporo	Reef Suite	174,000,000	2,775,120	154,000,000	2,456,140
40	Sendai	Urban Hills Dainohara	158,000,000	2,519,936	140,000,000	2,232,855
41	Kitakyushu	Chalet Aoyama	262,000,000	4,178,628	247,000,000	3,939,394
42	Kitakyushu	City Room Nakai III	190,000,000	3,030,303	162,000,000	2,583,732
43	Sapporo	Art Side Terrace	595,000,000	9,489,633	509,000,000	8,118,022
44	Sendai	High Grace II	387,000,000	6,172,249	326,000,000	5,199,362
45	Kitakyushu	Katano Residential Building	465,000,000	7,416,268	401,000,000	6,395,534
46	Morioka	K2 Mansion Morioka	329,000,000	5,247,209	309,000,000	4,928,230
47	Sendai	Niken Chaya Grand Heights	459,000,000	7,320,574	377,000,000	6,012,759
48	Hakodate	Jewel Town Suehiro	172,000,000	2,743,222	156,000,000	2,488,038
49	Sapporo	Estella 24-ken A	73,000,000	1,164,274	73,000,000	1,164,274
50	Sapporo	Kotoni 1-6 Mansion	330,000,000	5,263,158	290,000,000	4,625,199
51	Sendai	River City Kimachi	154,000,000	2,456,140	133,000,000	2,121,212
52	Sapporo	Aster Yamahana	169,000,000	2,695,375	153,000,000	2,440,191
53	Fukuoka	Patios Ohashi	134,000,000	2,137,161	118,000,000	1,881,978
54	Morioka	K1 Mansion Morioka	71,800,000	1,145,136	68,000,000	1,084,530
55	Kumamoto	Mon Palais Toroku	271,000,000	4,322,169	252,000,000	4,019,139
56	Kumamoto	Rise Gofuku	301,000,000	4,800,638	271,000,000	4,322,169
			11,673,500,000	186,180,223	10,301,000,000	164,290,271
YK Shingen						
96	Sendai	Sun Vario Shinden Eki Mae	484,000,000	7,719,298	402,000,000	6,411,483
97	Sendai	Royal Hills Katagiri	184,000,000	2,934,609	161,000,000	2,567,783
98	Sapporo	TOA Mansion	684,000,000	10,909,091	615,000,000	9,808,612
99	Sendai	Castle Kano	229,000,000	3,652,313	198,000,000	3,157,895
100	Hiroshima	Aistage Ushita Minami	349,000,000	5,566,188	301,000,000	4,800,638
101	Sapporo	Suien	93,100,000	1,484,848	93,000,000	1,483,254
102	Kumamoto	Rise Fujisaki Dai	298,000,000	4,752,791	276,000,000	4,401,914
103	Kumamoto	Rise Kumamoto Station South	170,000,000	2,711,324	160,000,000	2,551,834

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(S\$)	(JPY)	(S\$)
YK Shingen						
104	Sendai	Clio Court	232,000,000	3,700,159	206,000,000	3,285,486
105	Sendai	Core Life	512,000,000	8,165,869	484,000,000	7,719,298
106	Kurashiki	Gardenia Kurashiki	144,000,000	2,296,651	131,000,000	2,089,314
107	Sendai	YSK Co-op Saiwaicho	500,000,000	7,974,482	428,000,000	6,826,156
108	Kitakyushu	Club House Kikugaoka	307,000,000	4,896,332	245,000,000	3,907,496
109	Sapporo	Jeunes 23	290,000,000	4,625,199	263,000,000	4,194,577
110	Sapporo	Studio City	240,000,000	3,827,751	214,000,000	3,413,078
111	Oita	Taisei Building III	307,000,000	4,896,332	280,000,000	4,465,710
112	Fukuoka	Wealth Meinohama	70,600,000	1,125,997	65,000,000	1,036,683
113	Hiroshima	Matoba Meijibashi II	312,700,000	4,987,241	280,000,000	4,465,710
114	Kitakyushu	Alte Heim Kokura	101,000,000	1,610,845	95,000,000	1,515,152
115	Kitakyushu	Alte Heim Kokura II	495,000,000	7,894,737	466,000,000	7,432,217
116	Kitakyushu	Alte Heim Kokura IV	109,000,000	1,738,437	102,000,000	1,626,794
117	Kitakyushu	Alte Heim Mojiekimae	185,000,000	2,950,558	167,000,000	2,663,477
118	Kitakyushu	Alte Heim Orio	335,000,000	5,342,903	315,000,000	5,023,923
119	Kumamoto	EMYU Heisei Keyakidori Mansion	789,000,000	12,583,732	708,000,000	11,291,866
120	Kumamoto	EMYU Suizenji	1,070,000,000	17,065,391	978,000,000	15,598,086
121	Kumamoto	Rise Kumadai Hospital II	563,000,000	8,979,266	491,000,000	7,830,941
122	Kumamoto	Rise Oe	251,000,000	4,003,190	218,000,000	3,476,874
123	Hiroshima	Grand Polestone Takeya	636,000,000	10,143,541	514,000,000	8,197,767
124	Hiroshima	Grand Polestone Kinya	171,000,000	2,727,273	139,000,000	2,216,906
125	Kohriyama	Maestoso Figur	441,000,000	7,033,493	393,000,000	6,267,943
126	Kohriyama	Leggiero Viola	349,000,000	5,566,188	317,000,000	5,055,821
			10,901,400,000	173,866,029	9,705,000,000	154,784,689
YK Shinzan						
80	Kitakyushu	Chalet Kishinoura	348,000,000	5,550,239	296,000,000	4,720,893
81	Kitakyushu	Chalet Numahon Machi II	222,000,000	3,540,670	179,000,000	2,854,864
82	Kitakyushu	Chalet Suwamachi	345,000,000	5,502,392	283,000,000	4,513,557
83	Kitakyushu	Chalet Tsudashin Machi	175,000,000	2,791,069	148,000,000	2,360,447
84	Kitakyushu	Chalet Einomaru II	134,000,000	2,137,161	111,000,000	1,770,335
85	Kitakyushu	Chalet Kanda II	320,000,000	5,103,668	269,000,000	4,290,271
86	Kitakyushu	Chalet Matsuo II	75,000,000	1,196,172	60,000,000	956,938
87	Kitakyushu	Chalet Harunomachi	459,000,000	7,320,574	386,000,000	6,156,300
88	Kitakyushu	Chalet Shiragane	283,000,000	4,513,557	242,000,000	3,859,649

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(\$)	(JPY)	(\$)
YK Shinzan						
89	Kumamoto	EMYU Honjo	944,000,000	15,055,821	865,000,000	13,795,853
90	Kumamoto	EMYU Shinmachi	653,000,000	10,414,673	588,000,000	9,377,990
91	Kumamoto	KC Heights	136,000,000	2,169,059	121,000,000	1,929,825
92	Kumamoto	Rise Kojo Horibata	99,000,000	1,578,947	86,000,000	1,371,611
93	Kumamoto	Rise Kuhonji II	440,000,000	7,017,544	375,000,000	5,980,861
94	Kumamoto	Rise Shimodori	330,000,000	5,263,158	281,000,000	4,481,659
95	Kagoshima	Yamamoto Mansion	710,000,000	11,323,764	604,000,000	9,633,174
			5,673,000,000	90,478,469	4,894,000,000	78,054,226
GK Choan						
127	Sapporo	Sec' As Blue II	361,000,000	5,757,576	355,000,000	5,661,882
128	Hiroshima	Wing Nakahirodori	812,000,000	12,950,558	731,000,000	11,658,692
129	Kagoshima	Abitare Shimoarata I	315,000,000	5,023,923	275,000,000	4,385,965
130	Kagoshima	Abitare Shinyashiki	301,000,000	4,800,638	234,000,000	3,732,057
131	Sendai	Royal Hills Komatsushima	157,000,000	2,503,987	140,000,000	2,232,855
132	Morioka	Senboku Heim I	180,000,000	2,870,813	163,000,000	2,599,681
133	Morioka	Senboku Heim II	109,000,000	1,738,437	100,000,000	1,594,896
134	Sendai	Liesse Wakabayashi	139,000,000	2,216,906	135,000,000	2,153,110
135	Sapporo	Dear Misono	46,000,000	733,652	45,000,000	717,703
136	Sapporo	Casa Motomachi	299,000,000	4,768,740	295,000,000	4,704,944
137	Hiroshima	Grand Polestone Tsurumi	440,000,000	7,017,544	364,000,000	5,805,423
138	Fukuoka	La Finesse Hakataeki Minami	519,000,000	8,277,512	436,000,000	6,953,748
139	Kumamoto	Rise Heiseiekimae	215,000,000	3,429,027	184,000,000	2,934,609
140	Sendai	Maison d'Etoile II	102,000,000	1,626,794	91,000,000	1,451,356
141	Kagoshima	Abitare Korimoto	310,000,000	4,944,179	275,000,000	4,385,965
142	Fukuoka	Orion Heim	226,000,000	3,604,466	191,000,000	3,046,252
143	Hiroshima	Fujimicho Building	429,000,000	6,842,105	375,000,000	5,980,861
144	Hiroshima	Grand Polestone Fujimi	207,000,000	3,301,435	192,000,000	3,062,201
145	Hiroshima	Grand Polestone Otemachi	611,000,000	9,744,817	523,000,000	8,341,308
146	Hiroshima	Kusatsu Higashi Heights	232,000,000	3,700,159	221,000,000	3,524,721
147	Hiroshima	VOGA Minami Kannon	191,000,000	3,046,252	182,000,000	2,902,711
148	Fukuoka	Le Pied Hirao	296,000,000	4,720,893	253,000,000	4,035,088
149	Sapporo	Residence Shiroishi ABCD	535,000,000	8,532,695	518,000,000	8,261,563

APPENDIX C – DESKTOP VALUATION

TK Operator	Location	Properties	Property value as at 30 June 2008		Property value based on Desktop Valuation as at 31 January 2009	
			(JPY)	(S\$)	(JPY)	(S\$)
GK Choan						
150	Niigata	GEO Kamiokawamaedori 3	423,000,000	6,746,411	410,000,000	6,539,075
151	Niigata	Hills Kawabata	306,000,000	4,880,383	293,000,000	4,673,046
152	Niigata	Hills Nogizaka	358,000,000	5,709,729	334,000,000	5,326,954
153	Hiroshima	Grand Polestone Otemachi II	457,000,000	7,288,676	383,000,000	6,108,453
154	Hiroshima	Grand Polestone Higashi Hiratsuka	494,000,000	7,878,788	409,000,000	6,523,126
155	Sendai	Floreecer Miyagino	272,000,000	4,338,118	263,000,000	4,194,577
156	Hiroshima	Shinonome Heights	181,000,000	2,886,762	169,000,000	2,695,375
157	Hiroshima	Estate 18 Shinonome	272,000,000	4,338,118	254,000,000	4,051,037
158	Hiroshima	Royal Shinonome	321,000,000	5,119,617	301,000,000	4,800,638
159	Hiroshima	Villa Kaita	314,000,000	5,007,974	314,000,000	5,007,974
160	Kohriyama	Arioso Phrase	491,000,000	7,830,941	444,000,000	7,081,340
161	Sendai	Fantage Yaotome	235,000,000	3,748,006	224,000,000	3,572,568
162	Sapporo	Towa Kita 7 Jo	355,000,000	5,661,882	343,000,000	5,470,494
163	Sapporo	Towa Kotoni	327,000,000	5,215,311	316,000,000	5,039,872
164	Fukuoka	Relief Ohorinishi	130,000,000	2,073,365	122,000,000	1,945,774
			11,968,000,000	190,877,193	10,857,000,000	173,157,895
GK Chogen						
165	Kumamoto	Romaug Kamidori Namikizaka	764,000,000	12,185,008	702,000,000	11,196,172
			764,000,000	12,185,008	702,000,000	11,196,172
GK Chosei						
166	Hiroshima	Quest Tower Noboricho	685,000,000	10,925,040	587,000,000	9,362,041
			685,000,000	10,925,040	587,000,000	9,362,041
Total			49,062,300,000	782,492,823	43,768,000,000	698,054,226
Note: Based on S\$/ JPY exchange rate of 62.7 as at 31 December 2008						

NOTICE OF EXTRAORDINARY GENERAL MEETING

SAIZEN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted under the laws of the Republic of Singapore pursuant to a trust deed dated 27 September 2007 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of the Unitholders of Saizen Real Estate Investment Trust (“**Saizen REIT**”) will be held on 20 April 2009 at 10.30 a.m. at Pan Pacific Singapore Hotel, Meeting Room Ocean 4, Level 2, 7 Raffles Boulevard Marina Square, Singapore 039595 for the purposes of considering and, if thought fit, passing (with or without modifications) the following extraordinary resolution and ordinary resolutions:

EXTRAORDINARY RESOLUTION

EXTRAORDINARY RESOLUTION: APPROVAL FOR THE PROPOSED ALTERATIONS TO THE TRUST DEED

THAT Clause 5 and Clause 11 of the trust deed dated 27 September 2007 constituting Saizen REIT, as supplemented by the first supplemental deed dated 3 October 2007 and the second supplemental deed dated 29 October 2007, all entered into between Japan Residential Assets Manager Limited (in its capacity as manager of Saizen REIT) (the “**Manager**”) and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Saizen REIT) (the “**Trustee**”), as may be amended, modified or supplemented from time to time (the “**Trust Deed**”), be and are hereby altered, in the manner and to the extent as set out in paragraph 2 and Appendix A to the circular to Unitholders dated 1 April 2009 (the “**Circular**”).

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: APPROVAL FOR THE RIGHTS CUM WARRANTS ISSUE

THAT subject to and contingent upon Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 4 being passed:

- (a) the Manager be and is hereby authorised to provisionally allot and issue up to 497,185,362 new Units in Saizen REIT (the “**Rights Units**”), or such other number of new Units as the Manager may determine, pursuant to the Rights cum Warrants Issue, at an issue price of S\$0.09 with up to 497,185,362 free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new Unit in Saizen REIT (the “**New Units**”) at an exercise price of S\$0.09 for each new Unit, on the basis of eleven (11) Rights Units for every ten (10) existing Units held by Unitholders of Saizen REIT (the “**Unitholders**”) as at a books closure date to be determined (the “**Books Closure Date**”) and one (1) Warrant for every one (1) Rights Unit subscribed, fractional entitlements to be disregarded, on the terms and conditions set out below and/or otherwise on such terms and conditions as the Manager may think fit:
 - (i) the provisional allotment of the Rights Units with Warrants shall be made on a renounceable basis to Unitholders whose names appear in the register of Unitholders or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least five (5) market days prior to the Books Closure Date, provided to the CDP, the Unit registrar of Saizen REIT or the Manager, as the case may be, addresses in Singapore for the service of notices or documents;
 - (ii) the Manager may allot and issue, notwithstanding that the issue thereof may take place after the next or any other general meeting of Saizen REIT:
 - (A) up to 497,185,362 New Units on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the deed poll to be executed by the Manager constituting the Warrants (the “**Deed Poll**”), such New Units (when issued and paid) to rank *pari passu* in all respects with the then existing Units of Saizen REIT (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the Record Date for which falls before the date of issue of the New Units; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (B) on the same basis as paragraph (ii)(A) above, such further New Units as may be required to be allotted and issued on the exercise of any of the Warrants;
- (iii) no provisional allotment of the Rights Units shall be made in favour of Unitholders with registered addresses outside Singapore as at the Books Closure Date, unless they have at least five (5) Market Days prior thereto, provided the Manager, the Unit registrar of Saizen REIT or CDP, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Unitholders**”);
- (iv) the entitlements to the Rights Units with Warrants which would otherwise accrue to Foreign Unitholders shall be disposed of by the Manager in such manner and on such terms and conditions as the Manager deems fit for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof and to pool and thereafter distribute the proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Unitholders in accordance with their respective Unitholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Unitholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of Saizen REIT;
- (v) any fractional entitlements disregarded in accordance with the terms of the Rights cum Warrants Issue and/or any Rights Units with Warrants not taken up may be aggregated and allotted and issued to satisfy excess applications for the Rights Units with Warrants or otherwise to such persons as the Manager may think fit or otherwise disposed of or dealt with in such manner as the Manager may think fit in the interests of Saizen REIT;
- (vi) the Rights Units with Warrants when issued and paid-up will rank *pari passu* in all respects with the then existing Units save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Units with Warrants; and
- (vii) in the event that the Extraordinary Resolution is not passed by the Unitholders, the Manager may in its absolute discretion and as it deems fit in the interests of Saizen REIT, proceed with a straightforward rights issue (the “**Rights Issue**”) whereby apart from no Warrants being attached to the Rights Units to be issued, the Rights issue shall proceed on the same terms and conditions of the Rights cum Warrants Issue (where applicable), and
- (viii) the Manager be and is hereby authorised to take such steps, make such amendments to the terms of the Rights cum Warrants Issue and the abovementioned terms and conditions, and exercise such discretion as the Manager may, from time to time in its absolute discretion, deem fit, advisable, necessary or expedient in connection with any or all of the foregoing matters.

ORDINARY RESOLUTION 2: APPROVAL FOR THE COMMITMENT FEE AND THE INTRODUCTION FEE

THAT:

The Manager be and is hereby authorised to pay to:

- (a) the Undertaking Unitholders comprising Argyle Street Management Limited (“**ASM**”) (as the investment manager of ASM Hudson River Fund and ASM Asia Recovery (Master) Fund), Arnold Ip Tin Chee, Chang Sean Pey, Raymond Wong Kin Jeon, Yeh V-Nee, Richard Lo, Terry Fok Kwong Hang, HC Capital Limited and Pioneer Industries (Holdings) Limited (the “**Undertaking Unitholders**”); and the Undertaking Placees (as defined herein), a commitment fee calculated at seven per cent. (7%) of the value of the Maximum Number of Available Rights Units (as defined in the Circular), determined by multiplying such Maximum Number of Available Rights Units by the price per Rights Units, pursuant to the letters of undertaking dated 11 December 2008 given by the Undertaking Unitholders and the Undertaking Placees (as defined herein) (except that in respect of Pioneer Industries (Holdings) Limited, a letter of undertaking dated 31 December 2008) to the Manager and the Trustee; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) ASM an introduction fee of S\$565,732 for introducing and assisting in forming the group of Undertaking Unitholders and Undertaking Placees, pursuant to the letter of undertaking dated 11 December 2008 given by ASM to the Manager and the Trustee.

ORDINARY RESOLUTION 3: APPROVAL FOR THE WHITEWASH RESOLUTION

THAT:

Subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter of 13 February 2009 granting a waiver of the requirements for ASM and its concert parties, namely Argyle Street Management Holdings Limited, ASM Hudson River Fund, ASM Asia Recovery Fund, ASM Asia Recovery (Master) Fund, Central-Top Properties Limited, Japan Opportunities Fund Limited, Kin Chan and his spouse, Seow Shu Ping, Jo-Ann, Li Yick Yee Angie and Yeh V-Nee (the "**ASML Group**"), to make a mandatory general offer (the "**Offer**") for the remaining Units not owned or controlled by them pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the acquisition by the ASML Group of Rights Units with Warrants, excess Rights Units with Warrants and/or New Units upon the exercise of the Warrants pursuant to the Rights cum Warrants Issue, the Unitholders, hereby (on a poll taken) waive their rights, to receive the Offer from the ASML Group and parties acting in concert with them.

ORDINARY RESOLUTION 4: APPROVAL FOR THE PLACEMENT EXERCISE

That:-

- (a) authority be and is hereby given to the Manager to allot and issue up to a maximum of 115,932,629 Available Rights Units (as defined in the Circular) of Saizen REIT, with 115,932,629 Warrants, at S\$0.09 for each Available Rights Units in cash to Amherst Holdings Limited and Equal Chances Limited (the "**Undertaking Placees**") pursuant to and in accordance with the terms of the irrevocable undertakings dated 11 December 2008, given by the Undertaking Placees to the Manager; and
- (b) the Manager be and is hereby authorised to complete and to do all such acts and things (including executing the placement agreements to be subsequently entered into and all such documents as may be required) as it may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 4.

BY ORDER OF THE BOARD
JAPAN RESIDENTIAL ASSETS MANAGER LIMITED
(as Manager of Saizen REIT)

Chang Sean Pey (Mr)
Chief Executive Officer
Singapore
1 April 2009

NOTES:

1. A unitholder of Saizen REIT entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead.
2. Where a unitholder appoints more than one proxy, he/she should specify the proportion of his/her Unitholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the Unitholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a unitholder of Saizen REIT.
4. A body corporate which is a unitholder of Saizen REIT may also appoint by resolution of its directors or other governing body such person as it thinks fit to act as its authorised representative in accordance with its articles of association and section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy must be deposited at the Manager's office at 72A Duxton Road, Singapore 089531, at least 48 hours before the time set for the EGM or any postponement or adjournment thereof.
6. A Depositor's name must appear on the Depository Registry maintained by CDP as at 48 hours before the time fixed for holding the EGM in order to be entitled to attend and vote at the EGM.

SAIZEN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted under the laws of the Republic of Singapore pursuant to a trust deed dated 27 September 2007 (as amended))

IMPORTANT

1. For investors who have used their CPF money to buy Units in Saizen Real Estate Investment Trust, the circular to Unitholders dated 1 April 2009 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees in accordance with their instructions within the timeframe specified.
4. CPF investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.

PROXY FORM

*I/We _____ of
(Name and identification number)

(Address)

being a unitholder/unitholders of Saizen Real Estate Investment Trust ("Saizen REIT") hereby appoint(s):

Name	Address	NRIC/ Passport Number	Proportion of Unitholding (%)

and/or (delete as appropriate)

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as *my/our proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the extraordinary general meeting of Saizen REIT to be convened on 20 April 2009 at 10.30 a.m. at Pan Pacific Singapore Hotel, Meeting Room Ocean 4, Level 2, 7 Raffles Boulevard Marina Square, Singapore 039595 and at any adjournment thereof. *I/We direct *my/our proxy/ proxies to vote for or against the extraordinary resolution and the ordinary resolutions to be proposed at the extraordinary general meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the extraordinary general meeting.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the respective extraordinary resolution and ordinary resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the extraordinary general meeting.)

		For	Against
Extraordinary Resolution Approval for the proposed alterations to the Trust Deed			
Important: the passing of Ordinary Resolutions 1 through 4 are necessary for the Rights cum Warrants Issue to go ahead	Ordinary Resolution 1 Approval for the Rights cum Warrants Issue <i>(subject and contingent upon Ordinary Resolution 2, Ordinary Resolution 3 and Ordinary Resolution 4 being passed)</i>		
	Ordinary Resolution 2 Approval for the Commitment Fee and the Introduction Fee <i>(passing is necessary for the Rights cum Warrants Issue)</i>		
	Ordinary Resolution 3 Approval for the Whitewash Resolution <i>(passing is necessary for the Rights cum Warrants Issue)</i>		
	Ordinary Resolution 4 Approval for the Placement Exercise <i>(passing is necessary for the Rights cum Warrants Issue)</i>		

Dated this _____ day of _____ 2009

Total Number of Units Held

Signature(s) of Unitholder(s) / and, Common Seal of Corporate Unitholder



IMPORTANT: PLEASE READ NOTES TO PROXY FORM BELOW

NOTES:

1. Please insert the total number of Units you hold. If you have Units entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Units. If you have Units registered in your name in the register of Unitholders, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the register of Unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the register of Unitholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units in Saizen REIT held by you.
2. A Unitholder entitled to attend and vote at a meeting of Saizen REIT is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a Unitholder.
3. Where a Unitholder appoints two proxies, he/she should specify the proportion of his/her Unitholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the Unitholding and the second named proxy shall be deemed to be an alternate to the first named.
4. The instrument appointing a proxy or proxies must be lodged at the Manager's office at 72A Duxton Road, Singapore 089531, not less than 48 hours before the time appointed for the extraordinary general meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A body corporate which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the extraordinary general meeting, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Manager may reject any instrument appointing a proxy or proxies lodged if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the extraordinary general meeting, as certified by The Central Depository (Pte) Limited to the Manager.